



# TAX TRANSPARENCY REPORT 2023



*For Australian Agriculture*

Elders Limited ABN 34 004 336 636



## Introduction

The Board of Elders Limited strongly believes that a culture of compliance is essential in ensuring the long-term success of our strategic objectives. We continue to uphold high standards of corporate governance, including the publication of our 2023 Corporate Governance Statement. In addition to this, Elders is pleased to publish our annual Tax Transparency Report for the year ended 30 September 2023.

Elders acknowledges that the commercial needs of the group are of utmost importance. In addition, Elders' overarching tax management principles are to ensure all tax obligations are met and all taxes that are legally obliged to be paid are paid.

Elders has posted another strong financial result in the 2023 year, however, due to the significant amount of carried forward losses in the Elders tax consolidated group, it was not required to pay any company tax in the current year. Nevertheless, Elders remitted around \$184m of taxes to both Federal and State revenue offices.

This document should be read in conjunction with our 2023 Elders Annual Report, which is available at our website, [Elders.com.au](https://elders.com.au).

## Elders Tax Strategy and Governance

Elders adopts a conservative approach to tax risk management. Historically, Elders has had a Board approved tax governance framework, which includes a comprehensive tax risk policy which is reviewed bi-annually under our policy by our experienced in-house internal team as well as our external auditors. It also has appropriate systems, procedures and controls in place to identify and manage any tax risks. Our Head of Tax presents to the Board Audit, Risk and Compliance Committee at least twice a year on tax matters.

Elders acknowledges that the commercial needs of the group are of utmost importance and all tax advisory will be undertaken in this context. All transactions must have a business purpose or commercial rational. Elders will not undertake purely tax driven transactions. The requirement to meet commercial needs will in no circumstances override compliance with tax laws.

Elders' overarching tax management principles are to:

- Pay all taxes legally obliged to pay as and when they become payable or on a basis that is agreed with the tax authorities;
- Fully comply with all tax compliance obligations in all jurisdictions that Elders has a business presence;
- Maintain documentary evidence for the defence of all material tax positions in the event of challenge by a tax authority; and
- Operate with the aim of maintaining constructive relationships with tax authorities.

### Contribution to Australia

While Elders has only paid a minimal amount of corporate taxes for the 2023 year due to the availability of carried forward tax losses, it has contributed to the Australian economy with the payment of other taxes. In particular, Elders has collected more than \$62m in GST and paid around \$115m of employment taxes, to both Federal and State revenue offices.

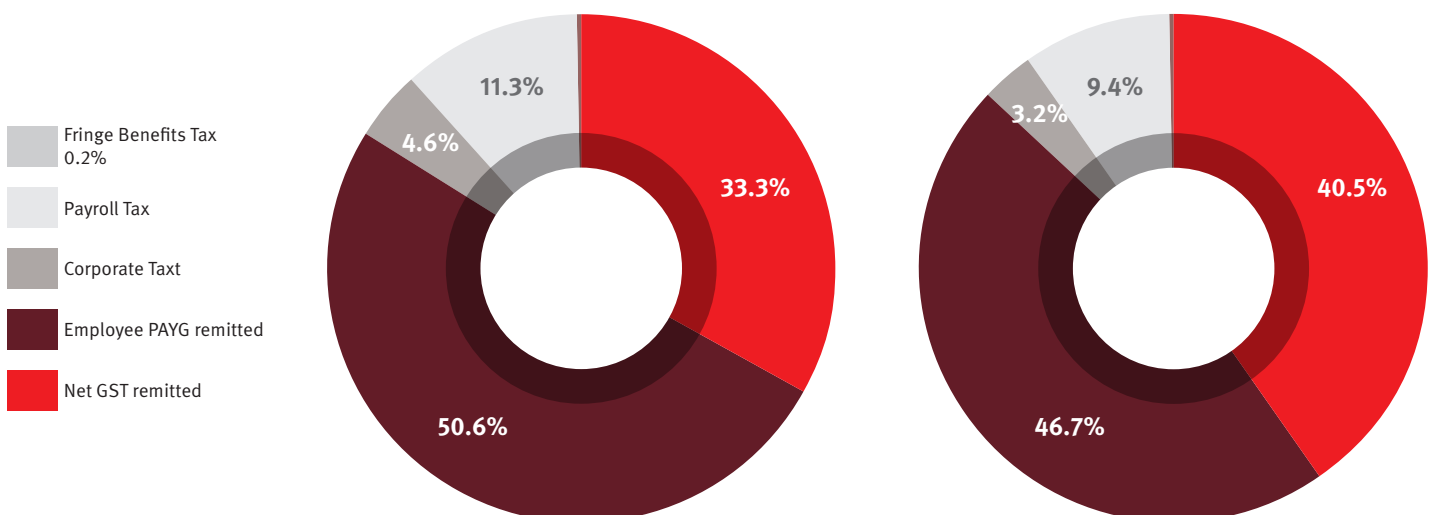
#### Australian taxes paid/collected - Tax contribution summary

	2023	2022
	\$'000	\$'000
<b>Australian Taxes</b>		
<b>Paid</b>		
Corporate Tax	8,516	6,022
Payroll Tax	20,756	17,542
Fringe Benefits Tax	437	425
<b>Collected</b>		
GST (collected and remitted)	404,613	409,050
GST (paid but claimed)	(343,088)	(333,226)
Fuel tax credits claimed	(276)	(345)
PAYG withholding from employees (remitted)	93,396	86,955
<b>Total Australian Taxes paid</b>	<b>184,354</b>	<b>186,423</b>

#### Total Tax Contributions - \$'000

2023 – \$184,354

2022 – \$186,423



## ATO published tax information

As part of the ATO's obligation in publishing the tax information for large entities, the following information was published in September 2023 for Elders Limited in relation to its lodged 2022 income tax return:

	<b>2022</b>
Total Income	3,470,721,561
Taxable Income	26,744,957
Tax Payable	Nil

Total income comprises of total revenue for the Elders tax consolidated group for the 2022 year. Taxable income is calculated as all assessable income less allowable tax deductions, after offsetting against carried forward losses. Tax payable is then calculated at 30% of taxable income, less franking credits received from investments.

## Reconciliation of statutory profit to income tax expense and income tax payable

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Statutory profit before income tax expense</b>	<b>138,868</b>	<b>237,737</b>
Income tax (expense) at 30%	(41,660)	(71,321)
<b>Adjusted for non-temporary differences:</b>		
Adjustment in respect of income tax of previous years	(390)	596
Impairment of assets	2,954	(3,604)
Recognition of previously unrecognised losses	0	0
Share of equity accounted profits	4,235	3,825
Other net (non-deductible)/non-assessable items	1,833	2,777
<b>Income tax (expense)/benefit</b>	<b>(33,028)</b>	<b>(67,727)</b>
<b>Accounting effective company tax rate</b>	<b>23.78%</b>	<b>28.49%</b>
<b>Adjusted for temporary differences:</b>		
Provision for employee entitlements	6,101	(4,675)
Other provisions	2,630	(1,007)
Capitalised expenses	3,318	(630)
Inventory	181	520
Intangibles	(756)	(441)
Others	2,473	3,481
Recognition of additional previously unrecognised losses	0	0
<b>Temporary differences</b>	<b>13,947</b>	<b>(2,752)</b>
Adjustment in respect of income tax of previous years	(616)	686
Other assets & liabilities	(125)	(455)
Associates & others	2,918	10,798
<b>Tax losses utilised @30%</b>	<b>16,904</b>	<b>59,450</b>
<b>Income tax (payable) for Elders tax consolidated group</b>	<b>(0)</b>	<b>(0)</b>
<b>Elders Group Revenue Tax Losses at 30%:</b>		
<b>Tax loss brought forward</b>	<b>(49,928)</b>	<b>(109,946)</b>
<b>Overprovision in the year</b>	<b>(494)</b>	<b>568</b>
<b>Current year taxable income/(loss)</b>	<b>16,904</b>	<b>59,450</b>
<b>Revenue tax loss carried forward (Fully recognised on Balance Sheet)</b>	<b>(33,518)</b>	<b>(49,928)</b>
<b>Elders Group Capital Tax Losses at 30%:</b>		
<b>Tax loss brought forward</b>	<b>(103,458)</b>	<b>(109,472)</b>
<b>Current year capital gain/(loss)</b>	<b>0</b>	<b>6,014</b>
<b>Capital tax losses carried forward (Not recognised on Balance Sheet)</b>	<b>(103,458)</b>	<b>(103,458)</b>

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