Financial report

For the year ended 30 June 2023

Australian Meat Processor Corporation Ltd
ABN 67 082 373 448

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Australian Meat Processor Corporation Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

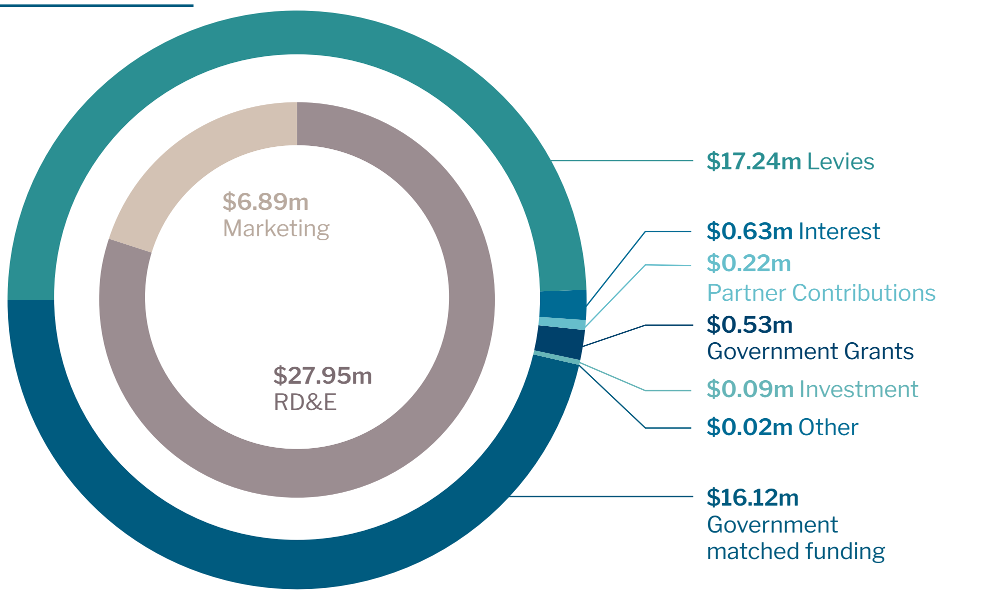
Australian Meat Processor Corporation Ltd
Suite 2, Level 6
99 Walker Street
North Sydney NSW 2060

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Financial highlights

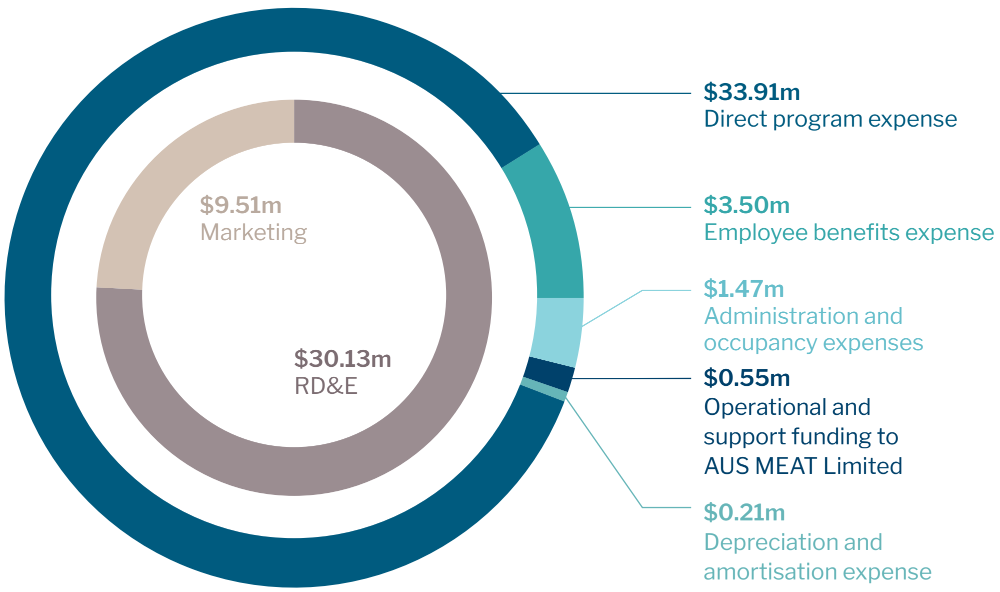
Total income

$34.85m



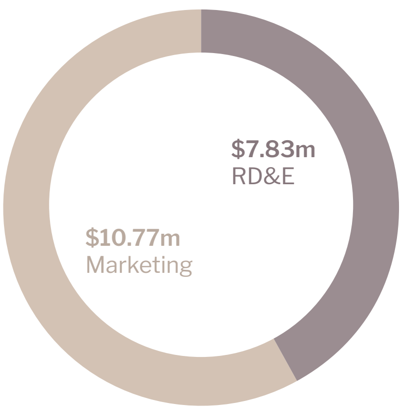
Total expenditure

$39.64m



Closing reserves

$18.60m



Director's report

The directors present their report together with the financial report of the Australian Meat Processor Corporation Ltd (AMPC or the Company) for the financial year ended 30 June 2023 and auditor's report thereon.

Principal activities

AMPC is responsible for promoting:

- freedom of trade in the interests of the members
- marketing and sales of Australian meat on the Australian market and to overseas countries
- meat processing industry research and development
- improvement of the quality of Australian meat
- the classification of Australian meat
- the economic, environmental, health, safety and social wellbeing of the meat processing industry and the wider community
- the mutual interests of members by holding conferences, symposiums and seminars for any or all of the members and presenting the views of the Company on behalf of the members at any conference, symposium or other forum
- the interests of and do all relevant acts and things for the advancement, protection and promotion of the interests of, the members.

AMPC is the rural research and development corporation for the red meat processing industry in Australia. As the research, development and marketing service provider for Australian processors, AMPC runs programs of activity that are funded by processor levy payers, private contributions and the Australian Government. These programs deliver outcomes and benefits for the Australian red meat processing industry and the broader Australian community.

AMPC's goals are to provide research, development, extension (RD&E) and Marketing services that:

- improve long-term efficiency and industry competitiveness
- protect, secure and maintain market access
- enhance industry sustainability
- develop capability, translation and extension, and
- increase productivity and value capture.

AMPC manages activities across key programs that include advanced manufacturing; sustainability; people and culture; technical market access and markets; and product and process integrity.

AMPC is committed to working with its stakeholders to achieve an efficient application of levy funds through its RD&E and marketing activities to address industry priorities. That impact is enhanced by leveraging AMPC's investment through co-investment and collaboration.

AMPC engages with the Australian Government, its meat processor membership base, Meat & Livestock Australia (MLA) and other bodies in the red meat industry including the Red Meat Advisory Council (RMAC) and the Australian Meat Industry Council (AMIC). These collaborations ensure that processor levy funds are appropriately and effectively invested to deliver maximum benefits.

AMPC will continue to develop strategic partnerships and alliances with other organisations that have complementary capabilities and service delivery assets. These organisations include the National Meat Industry Training Advisory Council (MINTRAC), Universities, government agencies, Research & Development Corporations (RDCs), research institutes, CSIRO, Co-Operative Research Centres (CRCs) and other industry providers, both in Australia and internationally.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short-term and long-term objectives

The objectives for which the Company is established are:

- to promote, protect and further the interests of the Company and its members in any lawful manner
- to act as a meat processor body, including by providing services, and procuring and providing leadership in the provision of services, relating to research, development and marketing in the meat processing industry for the benefit of its members and meat processors and the community in general
- where a Statutory Levy Regime applies, enter into a funding agreement or similar arrangement with the Commonwealth of Australia relating to the payment to, and application of statutory funds, by the Company
- where no Statutory Levy Regime applies or statutory levies are set at zero, enter into contribution contracts with members for the payment of Company contributions
- to collect payments or Company contributions from meat processors for the purpose of investing in and financing projects, undertakings or enterprises of any kind either severally or jointly with any meat industry corporation, body or entity; research and development corporation, body or entity; marketing corporation, body or entity; or other person, body or entity; in each case in the interests of and for the benefit of meat processors and/or the meat processing industry
- to receive statutory funds and apply those funds in accordance with the Statutory Funding Agreement (SFA), the Red Meat Memorandum of Understanding (MOU) and the Australian Meat and Live-stock Industry Act 1997 (Cth);

— to enter into contracts with, and employ and engage, individuals, organisations, companies, bodies or entities to manage, research and development and marketing projects and/or other projects on behalf of the members and in the interests of and for the benefit of meat processors and/or the meat processing industry

— to perform such acts and do any other thing deemed necessary or desirable for the preservation, protection and promotion of the rights and interests of the members as meat processors

— to carry out any and all such acts and do all such things that may be in the interests of the members and to carry out any or all such acts and or all such other things that are an incidental or conducive to the attainment of the aforementioned objects.

Incorporation

The Company was incorporated as a national member funded public company on 22 April 1998 pursuant to reforms announced by the Minister for the Department of Agriculture, Forestry and Fisheries on 18 March 1997.

These reforms required red meat processors and livestock exporters to establish separate self-funded companies to interact with a producer company through willing partnership arrangements.

In 2007 AMPC, through its processor Peak Industry Council, requested the Commonwealth Government to re-introduce a statutory levy and that such funds be directed to AMPC to enable it to continue to carry on its normal business activities including its contractual arrangements pursuant to the Memorandum of Understanding referred to below. On 1 September 2007, the Government introduced a Statutory Levy Scheme to collect funds from red meat processors in turn forwarded these funds on to AMPC to manage and fund industry programs.

Memorandum of Understanding

The Company became a party to the Memorandum of Understanding ("MoU") on 27 April 1998 and to subsequent revisions to the original document.

The MOU links the Company with Meat and Livestock Australia Limited (a separate producer corporation) and LiveCorp (a separate livestock exporter's corporation) together with the Commonwealth of Australia, Peak Industry Councils and the Red Meat Advisory Council (RMAC).

The roles and responsibilities of the Company under the MOU are:

(a) to provide management, funding and administrative arrangements for red meat processing industry activities to be undertaken by or through MLA including 'joint functions', 'core functions' and any unforeseen event which has significant impact upon the industry;

(b) in consultation with the Australian Meat Industry Council (AMIC) to undertake activities and provide services on behalf of the processing sector of the industry, which are not inconsistent with the provisions and principles of the MOU;

(c) where services are provided by or through MLA, to develop jointly with MLA and/or AMIC goals for achieving the vision and strategic imperatives for the industry sector it represents;

(d) each year to prepare in consultation with AMIC:

  i) a strategic plan including financial projections for the period of 3 years beginning on 1 July in that year for the performance of functions necessary to achieve the objects of the Company and consistent with the Meat Industry Strategic Plan (MISP); and

  ii) an operating plan including financial projections setting out the activities the Company proposes to undertake in the immediately following financial year consistent with its business plan;

(e) to pursue the achievement of industry goals identified in the MISP in a manner consistent with policies and strategic imperatives developed pursuant to the MOU and to perform its functions and exercise its powers in a manner consistent therewith; and

(f) to negotiate and enter into contracts with MLA, and with both MLA and LiveCorp, under which MLA will perform, or arrange for other persons to perform, Joint Functions and services on behalf of the industry sectors they represent for achieving the goals identified in the MISP.

Wind-up costs

Every member undertakes to contribute to the property of the Company in the event of the Company being wound up while a member, or within 12 months after ceasing to be a member, for:

(a) the payment of the debts and liabilities of the Company which were contracted by the Company before the Member ceased to be a member; and

(b) the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount, as may be required, not exceeding one hundred dollars ($100).

Operating results

The deficit of the Company amounted to $4,791,153 (2022: deficit of $9,505,288).

Funding agreement

AMPC and the Department of Water and the Environment (now the Department of Agriculture, Forestry and Fisheries) entered into a ten-year Funding Agreement 2020-2030.

The company is administering the statutory levies on behalf of the industry as detailed in the new funding agreement.

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows.

	Directors' Meetings		Nomination & Remuneration Committee		Audit & Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
John Berry	5	5	—	—	—	—
Melissa Fletcher	5	5	—	—	—	—
Dean Goode	5	5	—	—	—	—
Tom Maguire	5	5	3	2	—	—
Noel Kelson	5	4	—	—	4	4
Brad Teys	5	5	—	—	—	—
Saranne Cooke	5	5	3	3	4	4
Allira Hudson-Gofers	5	4	3	3	4	4

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

John Berry
Chairman
28 September 2023

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To the Board of Directors of Australian Meat Processor Corporation Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the audit of the financial statements of Australian Meat Processor Corporation Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia

Nexia Sydney Audit Pty Limited

Erin Tanyag
Director

Date: 28 September 2023
Sydney

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 ($)	2022($)
Revenue	3	34,128,242	37,141,593
Interest revenue		627,019	106,990
Dividend and distribution investment revenue		88,768	—
Gain on the revaluation of financial assets at fair value		2,352	—
Total revenue		34,846,381	37,248,583
Expenses			
Direct program expense		(33,908,959)	(41,054,425)
Employee benefits expense		(3,499,300)	(3,699,432)
Administration and occupancy expenses		(1,466,280)	(1,236,329)
Operational and support funding to AUS MEAT Limited		(550,000)	(550,000)
Depreciation and amortisation expense	4	(212,995)	(213,685)
Total expenses		(39,637,534)	(46,753,871)
Deficit for the year		(4,791,153)	(9,505,288)
Other comprehensive loss for the year		—	—
Total comprehensive loss for the year		(4,791,153)	(9,505,288)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2023

	Note	2023 ($)	2022($)
Assets			
Current assets			
Cash and cash equivalents	7	12,092,213	26,822,957
Trade and other receivables	8	16,145,194	21,450,162
Contract assets	9	2,724,605	522,300
Financial assets	10	8,058,455	—
Other assets	11	118,629	98,111
Total current assets		39,139,096	48,893,530
Non-current assets			
Contract assets	9	—	1,212,648
Property, plant and equipment	12	71,798	284,793
Total non-current assets		71,798	1,497,441
Total assets		39,210,894	50,390,971
Liabilities			
Current liabilities			
Trade and other payables	13	16,681,287	21,597,370
Contract liabilities	14	3,348,862	4,727,427
Lease liabilities	15	63,603	192,320
Provisions	16	371,489	284,176
Total current liabilities		20,465,241	26,801,293
Non-current liabilities			
Lease liabilities	15	—	63,602
Provisions	16	148,270	137,540
Total non-current liabilities		148,270	201,142
Total liabilities		20,613,511	27,002,435
Net assets		18,597,383	23,388,536
Equity			
Accumulated funds		18,597,383	23,388,536
Total equity		18,597,383	23,388,536

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2023

	Accumulated funds ($)	Total equity ($)
Balance at 1 July 2021	32,893,824	32,893,824
Deficit for the year	(9,505,288)	(9,505,288)
Other comprehensive loss for the year	—	—
Total comprehensive loss for the year	(9,505,288)	(9,505,288)
Balance at 30 June 2022	23,388,536	23,388,536
Balance at 1 July 2022	23,388,536	23,388,536
Deficit for the year	(4,791,153)	(4,791,153)
Other comprehensive loss for the year	—	—
Total comprehensive loss for the year	(4,791,153)	(4,791,153)
Balance at 30 June 2023	18,597,383	18,597,383

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2023

	Note	2023 ($)	2022($)
Cash flows from operating activities			
Receipts from statutory levies		18,611,364	17,827,132
Other receipts and recoveries		22,250,096	30,623,477
Payments to suppliers and employees		(48,049,746)	(63,525,527)
		(7,188,286)	(15,074,918)
Receipts of dividends and distributions		88,768	—
Interest received		627,019	283,185
Interest and other finance costs paid		(9,822)	(15,104)
Net cash used in operating activities		(6,482,321)	(14,806,837)
Cash flows from investing activities			
Payments for Financial Assets		(8,056,103)	—
Net cash used in investing activities		(8,056,103)	—
Cash flows from financing activities			
Repayment of lease liabilities		(192,320)	(175,603)
Net cash used in financing activities		(192,320)	(175,603)
Net decrease in cash and cash equivalents		(14,730,744)	(14,982,440)
Cash and cash equivalents at the beginning of the financial year		26,822,957	41,805,397
Cash and cash equivalents at the end of the financial year	7	12,092,213	26,822,957

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2023

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards — Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue from statutory levies are recognised in the period that the Government collected the levy.

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Contributions from Plant-Initiated Projects are recognised as revenue as the intellectual property or research is provided to the participant. Where the participant is also the research provider, the revenue is netted off against project expenses.

Other revenue is recognised when it is received or when the right to receive the payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

As the company is a tax exempt institution in terms of subsection 50(40) of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Contract assets

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture, Fixtures and Fittings	5 years
Office Equipment	4–5 years
Computer Equipment	2.5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Investment in AUS-MEAT Limited

AUS-MEAT Limited ('AUS-MEAT') was incorporated on 17 June 1998, and the Company is one of two Members of AUS-MEAT. As AUSMEAT is a tax exempt public Company limited by guarantee, it cannot distribute its surpluses to its Members; however, upon the event of the wind up of AUS-MEAT, the entity would be entitled to receive 50% of the net assets of AUS-MEAT. As there is no right by the entity to participate in a share of the ongoing results of AUS-MEAT, the use of equity accounting is not appropriate. Therefore, the equity accounting requirements have not been applied. Details of the investment in AUS-MEAT are included in Note 21 to the financial statements.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 3. Revenue

	2023 ($)	2022 ($)
Statutory levies	17,236,961	15,754,132
Government matching	16,121,283	20,612,623
Partner contributions	216,329	516,417
Government grants	532,069	258,421
Sundry income	21,600	—
Revenue	34,128,242	37,141,593

Total contributions received from partners was $6,436,804 (2022: $7,996,817). Partner contributions have been reduced for statutory accounts presentation purposes by $6,220,475 (2022: $7,480,400) for research projects where the participant is the research provider. There is a corresponding reduction in program expenditure expense.

Note 4. Depreciation and amortisation

Depreciation of non-current assets:		
— furniture, fixtures and fittings	42,689	42,736
— office equipment	—	643
— right-of-use assets	170,306	170,306
	212,995	213,685

Note 5. Auditors' remuneration

Audit services	43,825	40,800

Note 6. Key management personnel compensation

The totals of remuneration paid to the key management personnel of Australian Meat Processor Corporation Ltd during the year are as follows:

	2023 ($)	2022 ($)
Directors		
Short-term benefits (Directors Fees)	353,545	350,940
Post-Directorship benefits (Superannuation)	37,122	35,094
	390,667	386,034
Executives		
Short-term employee benefits (Salary)	378,159	331,432
Post-employment benefits (Superannuation)	25,292	23,568
	403,451	355,000

The names of directors who have held office during the year (and included as key personnel in addition to the Chief Executive Officer) are:

J K Berry
M Fletcher
D Goode
T J Maguire
B Teys
S Cooke
A Hudson-Gofers
N Kelson

Other key management personnel include:

Total aggregated out of pocket costs including travel and related expenses incurred by directors during the year was $12,306 (2022: $4,675).

Note 7. Cash and cash equivalents

	2023 ($)	2022 ($)
Current assets		
Cash at bank	12,092,213	26,822,957

Note 8. Trade and other receivables

Current assets		
Trade receivables	14,535,680	20,158,187
Levy receivable	1,609,514	1,291,975
	16,145,194	21,450,162

The balance of trade receivables includes matched funding claims of $12,847,519 (2022: $17,955,945) from Meat & Livestock Australia Limited (MLA).

No allowance for expected credit losses has been recognised during the year. The receivables remain in normal collection terms.

Note 9. Contract assets

	2023 ($)	2022 ($)
Current assets		
Contract assets — plant-initiated projects	2,724,605	522,300
Non-current assets		
Contract assets	—	1,212,648

Note 10. Financial assets

Current assets		
Financial assets at FVTPL	8,058,455	—

Note 11. Other assets

Current assets		
Prepaid expenses	118,629	98,111

Note 12. Property, plant and equipment

Non-current assets		
Fixtures and fittings — at cost	216,560	216,560
Less: Accumulated depreciation	(200,163)	(157,474)
	16,397	59,086
Computer equipment — at cost	51,096	51,096
Less: Accumulated depreciation	(51,096)	(51,096)
	—	—
Office equipment — at cost	1,835	1,835
Less: Accumulated depreciation	(1,835)	(1,835)
	—	—
Right-of-Use assets — at cost	736,625	736,625
Less: Accumulated depreciation	(681,224)	(510,918)
	55,401	225,707
	71,798	284,793

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Furniture, Fixtures and Fittings ($)	Office Equipment ($)	Computer Equipment ($)	Right-of-Use Assets ($)	Total ($)
Balance at 1 July 2022	59,086	—	—	225,707	284,793
Depreciation expense (Note 4)	(42,689)	—	—	(170,306)	(212,995)
Balance at 30 June 2023	16,397	—	—	55,401	71,798

Note 13. Trade and other payables

Current liabilities		
Trade payables	9,317,490	10,494,439
Plant-initiated projects (Note 14)	1,601,385	662,880
Other program payables	5,528,456	9,941,808
GST payable	56,974	330,638
Sundry payables and accrued expenses	176,982	167,605
	16,681,287	21,597,370

The balance of other programs payable includes matched funding claims of $3,934,246 (2022: $8,165,487) to Meat & Livestock Australia Limited (MLA).

Note 14. Contract liabilities

Current liabilities		
Deferred partner contributions on plant-initiated projects	3,348,862	4,727,427

Note 15. Lease liabilities

Current liabilities		
Lease liability	63,603	192,320
Non-current liabilities		
Lease liability	—	63,602

The Company leases office premises under an agreement through to 2023 with no option to renew. The lease escalates at 4% fixed rate per annum. The Company also leases equipment under agreements through to 2023.

Note 16. Provisions

	2023 ($)	2022 ($)
Current liabilities		
Employee benefits	273,489	256,176
Lease Make Good	98,000	28,000
	371,489	284,176
Non-current liabilities		
Employee benefits	148,270	137,540

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Company at the end of the respective lease terms.

Note 17. Plant-initiated projects liability

Current		
Opening balance included in payables	662,880	2,944,736
Total PIP transactions approved across the whole membership	19,389,497	23,637,855
Reductions arising from payments for approved PIPs	(18,759,921)	(27,150,221)
Adjustments incurred at completion or termination of PIPs	308,929	1,230,510
	1,601,385	662,880

Note 18. Related party disclosure

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Operational and support funding to AUS-MEAT Limited	550,000	550,000
Project funding to AUS-MEAT Limited	266,965	350,913
	816,965	900,913

Director related Plant Initiated Projects

During the period AMPC has approved PIP's for a number of Director-related entities under the PIP program. Under the Company's Constitution, all transactions with Director-related entities are on normal commercial terms and are consistent with those provided to all Members.

The following table provides a breakdown of the movement and final balance of PIPs of Director related parties.

	Transaction value		Balance outstanding	
	2023 ($)	2022 ($)	2023 ($)	2022 ($)
Plant Initiated Projects — project expenses	9,751,311	12,654,024	1,125,497	115,000
Plant Initiated Projects — member contributions	1,397,493	4,031,275	(10,617)	1,024,863
	11,148,804	16,685,299	1,114,880	1,139,863

Note 19. Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $100 each towards meeting any outstandings and obligations of the Company.

Note 20. Economic dependence

In its role as the red meat processor research and development body and red meat processor marketing body under the Australian Meat and Live-stock Act 1997, the Company is charged with the management and application of levy funds collected from red meat processors by the Commonwealth Government. The expenditure of levies on behalf of industry is conducted in accordance with the Funding Agreement between AMPC and the Department of Agriculture, Forestry and Fisheries. During the 2021 financial year AMPC became party to a new Funding agreement covering the period 2020 to 2030.

Note 21. Associated entities

		% Owned 2023	% Owned 2022
AUS-MEAT Limited	Services to the Food Industry	50	50

Summarised financial position of associate:

	2023 ($)	2022 ($)
Current assets		
Cash	—	1,603,448
Receivables	—	2,320,249
Other financial assets	—	5,101,940
Other	—	445,456
Non-current assets		
Plant and equipment	—	3,727,827
Current liabilities		
Trade and other payables	—	2,089,885
Provisions	—	1,832,706
Lease liability	—	180,572

Summarised financial position of associate (continued)

	2023 ($)	2022 ($)
Non-current liabilities	—	—
Provision	—	490,535
Lease liability	—	264,841
Net assets	—	8,340,380
Net (deficit)/surplus for the period	—	(1,650,110)
Other comprehensive income	—	—

Note 22. Contingencies

Contingent liabilities

There were no contingent liabilities identified as at 30 June 2023 (2022: $9.8m in relation to levies allocated to the Plant-Initiated Projects (PIP) program).

Note 23. Commitments

The Company had no capital commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 25. Statutory information

The registered office of the Company is:

Australian Meat Processor Corporation Ltd
Suite 2, Level 6
99 Walker Street
North Sydney NSW 2060

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards — Simplified Disclosure, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

John Berry
Chairman
28 September 2023

Nexia Australia

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Independent Auditor's Report to the Members of Australian Meat Processor Corporation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Meat Processor Corporation Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information in Australian Meat Processor Corporation Limited's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Nexia

Nexia Sydney Audit Pty Limited

Erin Tanyag
Director

Dated: 3 October 2023
Sydney


NOLAN

Australian Meat Processor Corporation (AMPC)

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