



Fair Work  
Commission

19 December 2023

Trevor Hill  
Treasurer  
Australian Meat Industry Council  
Sent via email: [admin@amic.org.au](mailto:admin@amic.org.au)

CC: Vishal Modi [vmodi@nexiasydney.com.au](mailto:vmodi@nexiasydney.com.au)

Dear Trevor Hill

**Australian Meat Industry Council  
Financial Report for the year ended 30 June 2023 – (FR2023/114)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Australian Meat Industry Council. The documents were lodged with the Fair Work Commission (the Commission) on 7 December 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2024 may be subject to an advanced compliance review.

**Reporting Requirements**

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**



# 2022-2023 Annual Report



# Australian Meat Industry Council

ABN: 65 990 653 488

## Annual Financial Report

For the year ended  
**30 June 2023**

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# Australian Meat Industry Council

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**Certificate by Prescribed Designated Officer**

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For the year ended 30 June 2023

I, Trevor Hill, being the Treasurer of the Australian Meat Industry Council certify:

- that the documents lodged herewith are copies of the full report for the Australian Meat Industry Council for the period ended 30 June 2023 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was approved by the Committee of Management of the Australian Meat Industry Council on 1 November 2023.
- the full report was published and made available to members on 2 November 2023.
- that the full report was presented at the Annual General Meeting of the members on 1 December 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



**TREVOR HILL**

*Treasurer*

*1 December 2023*

**Expenditure report required under subsection 255(2A)**

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For the year ended 30 June 2023

The Committee of Management presents the expenditure report as required under subsection 255(2A) on AMIC for the year ended 30 June 2023.

	<b>2023</b>	2022
<b>Categories of expenditure</b>		
Remuneration and other employment-related costs and expenses - employees	<b>2,534,845</b>	2,515,967
Advertising	<b>34,032</b>	32,063
Operating costs	<b>2,110,776</b>	1,071,675
Donations to political parties	-	-
Legal costs	<b>22,945</b>	103,482
	<b>4,702,598</b>	3,723,187

Signature of designated officer:



**TREVOR HILL**

*Treasurer*

*1 November 2023*

## Operating Report

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For the year ended 30 June 2023

The Committee of Management presents its operating report on the Australian Meat Industry Council ("AMIC") for the financial year ended 30 June 2023.

### **Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

AMIC is the peak council representing the post-farm-gate meat industry.

During the year AMIC continued to assist its members with specialty services, advice, support and representation. As a result of these activities, AMIC generated a profit of **\$551,535** during the year against a loss of \$(1,186,441) in the prior year.

There were no significant changes in the nature of the activities of AMIC during the year.

### **Significant changes in financial affairs**

There were no significant changes in the financial affairs of AMIC during the year.

### **Right of members to resign**

A member of AMIC may resign by written notice addressed and delivered to the National Secretary/Treasurer of AMIC and will be liable for any unpaid dues until the resignation then becomes effective under AMIC's Constitution.

### **Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position**

AMIC is the sponsor of the Australian Meat Industry Superannuation Trust (AMIST) which is operated by a trustee company, Australian Meat Industry Superannuation Pty Ltd (ABN 25 002 981 919), which holds the assets of the fund in trust for members.

The Trustee Board comprises three employer-nominated representatives, three member-elected representatives and one independent director. The fund members elect member representatives every five years while the Australian Meat Industry Council nominates the employer representatives. Necessarily therefore, some officers or members of AMIC are Employer Directors of the AMIST superannuation trustee company.

## Operating Report (continued)

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For the year ended 30 June 2023

Employer Directors of the AMIST superannuation fund nominated by the Council are:

- Gary Hardwick, Industry Representative of Hardwicks Meat Works Pty Ltd (AMIC member)
- Noel Kelson, Industry Representative of Midfield Meat International Pty Ltd (AMIC member)
- Kerry Johnson, Senior Consultant of HR Flex Ability (not a member of AMIC)

It is a requirement of the AMIST Superannuation Trust that a person appointed as Employer Director must be a nominee of AMIC to be appointed by ordinary resolution of the Council passed in a General meeting.

Member Directors of the AMIST superannuation fund elected from the fund's membership are:

- Geoff Yarham
- Grant Courtney
- Frank Raeside

It is not a requirement to be a member of AMIC to be a Member Director of the AMIST superannuation fund.

### Number of members

There were **1,261** members recorded in the register of members and who are taken as members at the end of the financial year.

Industry sector	Number of members
Retail and general	1,044
Processors	143
Smallgoods	54
Associate (non-voting)	20
<b>Total</b>	<b>1,261</b>

### Number of employees

There were **18** full time equivalent employees of AMIC at the end of the financial year.



**Operating Report (continued)**

For the year ended 30 June 2023

**Names of Committee of Management members and period positions held during the financial year**

For the duration of the financial year (unless indicated otherwise) Board members during the year were:

Director	Board Meetings	
	A	B
Gary Hardwick - Chairman	5	5
Robert Constable - Deputy Chairman	5	5
Trevor Hill - Treasurer	5	5
Roger Fletcher	4	5
Noel Kelson	4	5
Franz Knoll	5	5
Simon Linke	4	5
Dominick Melrose	5	5
Terry Nolan	5	5
Rod Sellers	4	5
Greig Smith	3	5

*A – Number of meetings attended.*

*B – Number of meetings held during the time the director held office during the year.*

Signature of designated officer:

**TREVOR HILL**

*Treasurer*

*1 November 2023*

## Committee of Management Statement

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For the year ended 30 June 2023

On the 1<sup>st</sup> of November 2023, the Committee of Management of the Australian Meat Industry Council passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 30 June 2023:

The Committee of Management declares that in its opinion:

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Meat Industry Council for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Australian Meat Industry Council will be able to pay its debts as and when they become due and payable; and
- (e) During the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of AMIC; and
  - (ii) the financial affairs of AMIC have been managed in accordance with the rules of AMIC; and
  - (iii) the financial records of AMIC have been kept and maintained in accordance with the RO Act; and
  - (iv) where information has been sought in any request by a member of AMIC or the Commissioner duly made under section 272 of the RO Act has been provided to the member or the Commissioner; and
  - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:



**TREVOR HILL**

*Treasurer*

*1 November 2023*

**Statement of Comprehensive Income**

For the year ended 30 June 2023

	Note	2023	2022
<b>Revenue from contracts with customers</b>	3		
Membership subscriptions		2,275,055	2,352,561
Capitation fees and other revenue from another reporting unit	3a	-	-
Levies	3b	-	-
Project and event income		381,162	408,856
Food safety plan audit income		4,434	18,936
<b>Total revenue from contracts with customers</b>		<b>2,660,651</b>	<b>2,780,353</b>
<b>Income for furthering objectives</b>	3		
Grants or donations	3c	594,177	167,233
Industry Consultation (Red Meat Advisory Council Ltd)		711,204	658,680
<b>Total income for furthering objectives</b>		<b>1,305,381</b>	<b>825,913</b>
<b>Other income</b>			
Net gains from sale of assets	3d	16,780	2,727
Revenue from recovery of wages activity	3e	-	-
Investment income	3f	1,169,754	-
Rental income	3g	71,104	74,906
Other income	3h	209,092	90,299
<b>Total other income</b>		<b>1,466,730</b>	<b>167,932</b>
<b>Total income</b>		<b>5,432,762</b>	<b>3,774,197</b>
<b>Expenses</b>			
Employee expenses	4a	2,534,845	2,515,967
Project and event expenses		371,240	166,088
Food safety plan audit expenses		14,902	12,167
Cost of goods sold		-	-
Investment loss	3f	-	1,068,588
Capitation fees and other expense to another reporting unit	4b	-	-
Affiliation fees	4c	34,200	31,851
Administration expenses	4d	1,667,022	829,950
Grants or donations	4e	-	-
Depreciation and amortisation	4f	111,076	152,323
Finance costs	4g	42,292	42,175
Legal costs	4h	22,945	103,489
Write-down and impairment of assets	4i	-	-
Net losses from sale of assets	4j	58,705	14,040
Other expenses	4k	-	-
Audit fees	11	24,000	24,000
<b>Total expenses</b>		<b>4,881,227</b>	<b>4,960,638</b>

**Statement of Comprehensive Income (continued)**

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For the year ended 30 June 2023

	Note	<b>2023</b>	2022
<b>Profit (loss) for the year</b>		<b>551,535</b>	(1,186,441)
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings		-	3,081,037
<b>Total comprehensive income for the year</b>		<b>551,535</b>	1,894,596

*The notes on pages 14 to 54 are an integral part of these financial statements.*

**Statement of Financial Position**

As at 30 June 2023

	Note	2023	2022
<b>Current assets</b>			
Cash and cash equivalents	5a	4,601,445	800,688
Trade and other receivables	5b	408,725	369,729
Other current assets	5d	237,780	174,757
		<b>5,247,950</b>	1,345,174
<b>Non-current assets classified as held for sale</b>	5e	-	4,900,000
<b>Total current assets</b>		<b>5,247,950</b>	6,245,174
<b>Non-current assets</b>			
Land and buildings	6a	-	-
Plant and equipment	6b	92,427	76,488
Intangibles	6c	178,247	167,159
Investments – Real Property	6d	76,992	81,804
Investments – Managed Investment Portfolio	6e	19,429,638	18,242,509
Right-of-use assets	6f	-	12,771
<b>Total non-current assets</b>		<b>19,777,304</b>	18,580,731
<b>Total assets</b>		<b>25,025,254</b>	24,825,905
<b>Current liabilities</b>			
Trade payables	7a	222,044	238,501
Other payables	7b	161,573	187,470
Contract liabilities	7c	657,482	756,645
Members Special Funds	7d	-	185,804
Employee provisions	8a	205,755	227,966
Lease liability	6f	-	6,885
<b>Total current liabilities</b>		<b>1,246,854</b>	1,603,271
<b>Non-current liabilities</b>			
Employee provisions	8a	58,064	47,176
Lease liability	6f	-	6,657
<b>Total non-current liabilities</b>		<b>58,064</b>	53,833
<b>Total liabilities</b>		<b>1,304,918</b>	1,657,104
<b>Net assets</b>		<b>23,720,336</b>	23,168,801
<b>Equity</b>			
Asset revaluation reserve		-	3,081,037
Retained earnings		23,720,336	20,087,764
<b>Total equity</b>		<b>23,720,336</b>	23,168,801

The notes on pages 14 to 54 are an integral part of these financial statements.

**Statement of Changes in Equity**

For the year ended 30 June 2023

	Asset revaluation reserve	Retained earnings	Total equity
<b>Balance as at 1 July 2021</b>	-	<b>21,274,205</b>	<b>21,274,205</b>
Profit (loss) for the year	-	(1,186,441)	(1,186,441)
Transfer to asset revaluation reserve	-	-	-
Other comprehensive income for the year	3,081,037	-	3,081,037
<b>Closing balance as at 30 June 2022</b>	<b>3,081,037</b>	<b>20,087,764</b>	<b>23,168,801</b>
Profit (loss) for the year	-	551,535	551,535
Transfers from asset revaluation reserve	(3,081,037)	3,081,037	-
Other comprehensive income for the year	-	-	-
<b>Closing balance as at 30 June 2023</b>	<b>-</b>	<b>23,720,336</b>	<b>23,720,336</b>

*The notes on pages 14 to 54 are an integral part of these financial statements.*

## Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023	2022
<b>Cash flows from operating activities</b>			
Cash receipts from customers	9b	4,568,199	4,063,304
Receipts from other reporting unit/controlled entity(s)		-	-
Cash payments to suppliers and employees	9b	(5,486,112)	(3,492,725)
Payment to other reporting units/controlled entity(s)		-	-
<b>Cash (used in) generated from operating activities</b>	9a	<b>(917,913)</b>	570,579
Interest and other costs of finance paid	4g	(42,292)	(42,175)
<b>Net cash from (used in) operating activities</b>	9a	<b>(960,205)</b>	528,404
<b>Cash flows from investing activities</b>			
Proceeds from sale of plant and equipment		4,843,600	-
Managed investment portfolio distribution	3f	(17,375)	36,001
Proceeds from investment properties	3g	71,104	74,906
Purchase of plant and equipment and intangible assets	6b, 6c	(122,826)	(201,553)
<b>Net cash from (used in) investing activities</b>		<b>4,774,503</b>	(90,646)
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	-
Payment of lease liabilities	6f	(13,541)	(5,438)
<b>Net cash from (used in) financing activities</b>		<b>(13,541)</b>	(5,438)
Net increase (decrease) in cash and cash equivalents		3,800,757	432,320
Cash and cash equivalents at 1 July		800,688	368,368
<b>Cash and cash equivalents at 30 June</b>	5a	<b>4,601,445</b>	800,688

The notes on pages 14 to 54 are an integral part of these financial statements.

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## Notes of the Financial Statements

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### Note 1. Statement of significant accounting policies

#### 1.1 Basis of preparation of the financial statements

The financial statements are general-purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general-purpose financial statements, the Australian Meat Industry Council (“AMIC”) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars.

#### 1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### 1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

##### ***Employee entitlements***

The liability for employee entitlements expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

##### ***Allowance for doubtful debts***

An allowance is made for doubtful debts based on management’s estimate of the prospect of recovering the debt. Where management has determined that the recovery of the debt is doubtful, the amount is provided for immediately.

## Notes of the Financial Statements

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### 1.4 New Australian Accounting Standards

#### *Adoption of New Australian Accounting Standard requirements*

The accounting policies adopted are consistent with those of the previous financial year except for the following accounting standards and amendments, which have been adopted for the first time this financial year:

#### **AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments**

The annual improvements amend the following standards:

- AASB 9 Financial Instruments to clarify that in applying the ‘10 per cent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
- AASB 16 Leases (AASB 16) to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor.
- Amendments to AASB 116 Property, Plant and Equipment require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in the profit or loss, instead of deducting the amounts received from the cost of the asset.
- Amendments to AASB 137 Provisions, Contingent Liabilities and Contingent Assets clarify which costs an entity can include when assessing whether a contract will be onerous.

The amendments did not have a material impact on AMIC.

#### *Future Australian Accounting Standards Requirements*

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on AMIC include:

#### **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

AMIC does not expect the adoption of this amendment to have a material impact on its financial statements.

## Notes of the Financial Statements

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### 1.4 Future Australian Accounting Standards Requirements (continued)

#### **AASB 2021-2 Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates**

This Standard amends:

- AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.
- Additional conforming amendments to AASB 1049, AASB 1054, and AASB 1060 were made by AASB 2021-6.

AMIC expects more disclosures in future years but does not expect the adoption of this amendment to have a material impact on its financial statements.

#### **AASB 2020-1 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants**

The amendments to AASB 101 specify that conditions (covenants) to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, an entity discloses information about these conditions in the notes to the financial statements. Where AASB 2022-6 is adopted before its mandatory application date, AASB 2020-1 must also be applied at the same date.

AMIC does not expect the adoption of this amendment to have a material impact on its financial statements.

#### **AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2**

The amendment clarifies the classification of loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with specified conditions. Earlier application is permitted, provided AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current is also applied at the same time.

AMIC does not expect the adoption of this amendment to have a material impact on its financial statements.

## Notes of the Financial Statements

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### 1.5 Current versus non-current classification

AMIC presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

AMIC classifies all other liabilities as non-current.

### 1.6 Revenue

AMIC enters various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, sponsorship, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

#### Revenue from contracts with customers

Where AMIC has a contract with a customer, AMIC recognises revenue when or as it transfers control of goods or services to the customer. AMIC accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and

## Notes of the Financial Statements

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### 1.6 Revenue (continued)

- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

#### Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of AMIC.

If there is only one distinct membership service promised in the arrangement, AMIC recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect AMIC's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, AMIC allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that AMIC charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good or as the service transfers to the customer, AMIC recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, AMIC has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from AMIC at their standalone selling price, AMIC accounts for those sales as a separate contract with a customer.

#### Income of AMIC as a Not-for-Profit Entity

Consideration is received by AMIC to enable the entity to further its objectives. AMIC recognises each of these amounts of consideration as income when the consideration is received (which is when AMIC obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- AMIC's recognition of the cash contribution does not give to any related liabilities.

## Notes of the Financial Statements

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### 1.6 Revenue (continued)

During the year, AMIC received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members; and
- government grants.

#### **Gains from sale of assets**

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

#### **Capitation fees and levies**

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

#### **Rental income**

Leases in which AMIC, as a lessor, do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

## Notes of the Financial Statements

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### 1.7 Acquisition of assets and or liabilities that do not constitute a business combination

AMIC did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

### 1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

### 1.9 Leases

AMIC assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### AMIC as a lessee

AMIC applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. AMIC recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

AMIC recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets

If ownership of the leased asset transfers to AMIC at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

## Notes of the Financial Statements

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### 1.9 Leases (continued)

#### Lease liabilities

At the commencement date of the lease, AMIC recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by AMIC and payments of penalties for terminating the lease, if the lease term reflects AMIC exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, AMIC uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

AMIC's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 1.10 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

### 1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.



## Notes of the Financial Statements

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### 1.12 Financial instruments

#### Contract assets and receivables

A contract asset is recognised when AMIC's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on AMIC's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

#### I. Recognition and initial measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and AMIC's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, AMIC's initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

AMIC's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that AMIC commits to purchase or sell the asset.

#### II. Classification and subsequent measurement

For purposes of subsequent measurement, financial asset are classified as:

- amortised cost; or  
Financial instruments measured at amortised cost includes cash at bank, trade and other receivables, trade payables and lease liability.
- fair value through profit and loss.  
Financial instruments measured at fair value through profit and loss include investment – managed investment portfolio.

## Notes of the Financial Statements

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### 1.12 Financial instruments (continued)

#### II. Classification and subsequent measurement (continued)

Financial assets are not reclassified subsequent to their initial recognition unless AMIC changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost are measured at FVTPL.

AMIC assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. This includes the stated policies and objectives for the portfolio and the operation of those policies in practice. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to AMIC's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

**Notes of the Financial Statements**

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**1.12 Financial instruments (continued)**

**II. Classification and subsequent measurement (continued)**

*Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, AMIC considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

*Financial assets – Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**III. Derecognition**

***Financial assets***

AMIC derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which AMIC neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

AMIC enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

***Financial liabilities***

AMIC derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. AMIC also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

## Notes of the Financial Statements

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### 1.12 Financial instruments (continued)

#### III. Derecognition (continued)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### IV. Impairment

##### Financial assets

##### *Expected credit losses*

Receivables for goods and services, which have 90-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

##### Trade receivables

For trade receivables that do not have a significant financing component, AMIC applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, AMIC does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. AMIC has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

##### Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, AMIC recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that AMIC expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12 months (a 12 month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

## Notes of the Financial Statements

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### 1.12 Financial instruments (continued)

#### IV. Impairment (continued)

##### Debt instruments other than trade receivables (continued)

AMIC considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, AMIC may also consider a financial asset to be in default when internal or external information indicates that AMIC is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 1.13 Financial Liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

AMIC's financial liabilities include trade and other payables.

#### Subsequent measurement

##### Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 Financial Instruments are satisfied.

##### Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

## Notes of the Financial Statements

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### 1.13 Financial Liabilities (continued)

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### 1.14 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

### 1.15 Liabilities relating to contracts with customers

#### Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before AMIC transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when AMIC performs under the contract (i.e. transfers control of the related goods or services to the customer).

### 1.16 Going concern

AMIC is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

AMIC has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

## Notes of the Financial Statements

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### 1.17 Land, buildings, plant & equipment, and intangibles

Each class of asset is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### ***Property***

Land and buildings are measured on the cost basis, held for the AMIC's own use and for rental income and capital appreciation. Land and Buildings are measured on the cost basis less depreciation and any impairment losses.

#### ***Plant & equipment and intangibles***

All are measured on the cost basis less depreciation and any impairment losses.

#### ***Subsequent expenditure***

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to AMIC.

#### ***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

- Land & buildings 40 years
- Furniture & fittings 4 to 13 years
- Plant & equipment 3 years
- Motor vehicles 3 to 5 years
- Software & websites 3 years

#### ***Reclassification to investment property***

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

## Notes of the Financial Statements

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### 1.17 Land, buildings, plant & equipment, and intangibles (continued)

#### De-recognition

An item of land, buildings, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

### 1.18 Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings. Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

### 1.19 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if AMIC were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### 1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.



## Notes of the Financial Statements

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### 1.20 Taxation

AMIC is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

### 1.21 Fair value measurement

AMIC measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by AMIC. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

AMIC uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

## Notes of the Financial Statements

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### 1.21 Fair value measurement (continued)

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, AMIC determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, AMIC has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### Note 2. Events after the reporting period

There has not been any matter or circumstance occurring after the end of the financial year that has significantly affected, or may significantly affect, the operations of AMIC, the results of those operations, or the state of affairs of AMIC in subsequent financial periods.

**Notes of the Financial Statements**

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**Note 3. Revenue and income**

	<b>2023</b>	2022
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**Disaggregation of revenue from contracts with customers**

A disaggregation of AMIC’s revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

**Type of customer**

Members – subscription	<b>2,275,055</b>	2,352,561
Members – food safety plan audit income	<b>4,434</b>	18,936
Other reporting units	-	-
Government	-	-
Other parties	<b>381,162</b>	408,856
<b>Total revenue from contracts with customers</b>	<b>2,660,651</b>	2,780,353

**Disaggregation of income for furthering activities**

A disaggregation of AMIC’s income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source.

**Income funding sources**

Members	-	-
Other reporting units	-	-
Government	<b>594,177</b>	167,233
Other parties	<b>711,204</b>	658,680
<b>Total income for furthering activities</b>	<b>1,305,381</b>	825,913

**Notes of the Financial Statements**

**Note 3. Revenue and income (continued)**

	<b>2023</b>	2022
<b>3a - Capitation fees and other revenue from another reporting unit</b>		
Capitation fees	-	-
Other revenue from another reporting unit	-	-
	<u>-</u>	<u>-</u>
<b>3b - Levies</b>		
Levies	-	-
	<u>-</u>	<u>-</u>
<b>3c - Grants and/or donations</b>		
Grants	<u>594,177</u>	167,233
<b>3d - Net gains from sale of assets</b>		
Plant and equipment	<u>5,392</u>	2,727
Motor vehicles	<u>11,388</u>	-
	<u>16,780</u>	<u>2,727</u>
<b>3e - Revenue from recovery of wages activity</b>		
Amounts recovered from employers in respect of wages	<u>-</u>	<u>-</u>
<b>3f - Net investment income</b>		
<b>Total income from managed investment</b>		
Fair value gain on investment	<u>1,058,235</u>	-
Interest income earned	<u>75,519</u>	-
Investment income earned	<u>36,000</u>	36,000
	<u>1,169,754</u>	<u>36,000</u>
<b>Total loss from managed investment</b>		
Fair value loss on investment	<u>-</u>	<u>(1,104,588)</u>
<b>Net investment income</b>	<u>1,169,754</u>	<u>(1,068,588)</u>
<b>3g – Rental income</b>		
Rent and outgoings recovery	<u>71,104</u>	<u>74,906</u>

**Notes of the Financial Statements**

**Note 3. Revenue and income (continued)**

	<b>2023</b>	2022
<b>3h - Other income</b>		
Advertising	<b>1,145</b>	2,348
Members saleable items and services	<b>15,032</b>	20,406
Bad debts recovered	-	6,037
Commissions from member insurance agent	<b>7,034</b>	2,251
Other income	<b>185,881</b>	59,257
	<b>209,092</b>	90,299

**Note 4. Expenses**

	<b>2023</b>	2022
<b>4a - Employee expenses</b>		
Holders of office:		
Wages and directors' honorariums	<b>73,200</b>	73,200
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
	<b>73,200</b>	73,200
Employees other than office holders:		
Wages and salaries	<b>2,119,419</b>	2,198,959
Superannuation	<b>217,530</b>	213,240
Leave and other entitlements	<b>(11,323)</b>	(27,013)
Separation and redundancies	-	-
Recruitment	<b>24,825</b>	2,195
Other employee expenses	<b>111,194</b>	55,386
	<b>2,461,645</b>	2,442,767
	<b>2,534,845</b>	2,515,967
<b>4b - Capitation fees</b>		
Capitation fees	-	-

**Notes of the Financial Statements**

**Note 4. Expenses (continued)**

	<b>2023</b>	2022
<b>4c - Affiliation fees</b>		
Australian Peak Shippers Association	<b>4,750</b>	4,750
Council of Small Business Organisations Australia	<b>9,992</b>	9,084
Meat Businesswomen	<b>4,823</b>	5,588
Asia Society Australia	<b>5,000</b>	5,000
Australian British Chamber of Commerce	<b>2,292</b>	2,292
International Meat Trade Association	<b>3,290</b>	2,841
The Refrigerated Warehouse & Transport Association of Australia	<b>2,273</b>	-
Goat Industry Council of Australia	<b>1,065</b>	1,065
AgForce	-	731
Food and Agribusiness Network	<b>215</b>	-
MINTRAC	<b>500</b>	500
	<b>34,200</b>	31,851

**4d - Administration expenses**

Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	<b>41,706</b>	11,488
Bad and doubtful debts	<b>8,848</b>	2,500
Conference and meeting expenses - staff	<b>9,612</b>	14,929
Contractors and consultants	<b>240,383</b>	130,484
Property expenses	<b>170,968</b>	149,613
Motor vehicle expenses	<b>73,433</b>	92,801
Travel	<b>189,212</b>	66,558
Information communications technology	<b>184,940</b>	165,429
Marketing and promotion	<b>34,032</b>	32,063
Office expenses	<b>35,284</b>	39,601
Insurance	<b>20,088</b>	29,720
Subscriptions and information services	<b>25,579</b>	24,203
Grant expenses	<b>624,849</b>	102,516
Other	<b>7,504</b>	(35,146)
Lease - equipment rental	<b>584</b>	3,191
	<b>1,667,022</b>	829,950

**Notes of the Financial Statements**

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**Note 4. Expenses (continued)**

	<b>2023</b>	2022
<b>4e - Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>
<b>4f - Depreciation</b>		
Land and buildings	<b>4,812</b>	78,194
Property, plant and equipment	<b>21,230</b>	28,081
Motor vehicles	<b>13,784</b>	34,445
Software and websites	<b>58,479</b>	6,094
Right of use assets	<b>12,771</b>	5,508
	<u><b>111,076</b></u>	<u>152,323</u>
<b>4g - Finance costs</b>		
Bank charges	<b>5,956</b>	5,251
Interest	<b>336</b>	924
Investment portfolio management fees	<b>36,000</b>	36,000
	<u><b>42,292</b></u>	<u>42,175</u>
<b>4h - Legal costs</b>		
Litigation	<b>15,226</b>	90,107
Debt collection	-	7
Other legal matters	<b>7,719</b>	13,375
	<u><b>22,945</b></u>	<u>103,489</u>

**Notes of the Financial Statements**

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**Note 4. Expenses (continued)**

	<b>2023</b>	2022
<b>4i - Write-down and impairment of assets</b>		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Motor vehicles	-	-
Intangibles	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<b>4j - Net losses from sale of assets</b>		
Land and buildings	<b>(56,400)</b>	-
Plant and equipment	<b>(2,305)</b>	(219)
Motor vehicles	-	-
Intangibles	-	(13,821)
	<u><b>(58,705)</b></u>	<u>(14,040)</u>
<b>4k - Other expenses</b>		
Penalties - via RO Act or RO Regulations	-	-
	<u>-</u>	<u>-</u>



**Notes of the Financial Statements**

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**Note 5. Current assets**

	<b>2023</b>	2022
<b>5a - Cash and cash equivalents</b>		
Cash at bank	<b>4,601,445</b>	800,688
Cash on hand	-	-
	<b>4,601,445</b>	<b>800,688</b>
<b>5b - Trade and other receivables</b>		
Receivables from other reporting unit(s)	-	-
Total receivables from other reporting unit(s)	-	-
Less allowance for expected credit losses	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting unit(s) (net)	-	-
Trade receivables	<b>49,722</b>	38,402
Allowance for doubtful debts	-	-
	<b>49,722</b>	<b>38,402</b>
Industry consultation funding – Red Meat Advisory Council Ltd	<b>359,003</b>	329,327
Other receivables	-	2,000
GST receivable	-	-
	<b>359,003</b>	<b>331,327</b>
	<b>408,725</b>	<b>369,729</b>
<b>5c - Inventory</b>		
Finished goods at cost	-	-

**Notes of the Financial Statements**

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**Note 5. Current assets (continued)**

	<b>2023</b>	2022
<b>5d – Other current assets</b>		
Prepayments - general	<b>237,780</b>	83,077
Prepayments - advance grant expenditure	-	91,680
Prepayments - advance project expenditure	-	-
	<b>237,780</b>	174,757
<b>5e – Non-current assets held for sale</b>		
Land and buildings:		
At fair value less costs to sell	-	4,900,000
	-	4,900,000

AMIC's property at 460 Pacific Highway St Leonards NSW was sold on 27 February 2023.

**Notes of the Financial Statements**

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**Note 6. Non-current assets**

	<b>2023</b>	2022
<b>6a - Land and buildings</b>		
Land and buildings:		
At fair value	-	-
Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>
Reconciliation of the Opening and Closing Balances of Land and Buildings:		
<b>As at 1 July</b>		
Gross book value	-	2,935,273
Accumulated depreciation and impairment	-	(1,042,929)
<b>Net book value 1 July</b>	<u>-</u>	<u>1,892,344</u>
Additions:		
From acquisition of land and buildings	-	-
Revaluations	-	3,081,038
Impairments	-	-
Depreciation expense	-	(73,382)
Other movement	-	-
Disposals:		
From disposal of land and buildings	-	-
Classified as held for sale (note 5e)	-	(4,900,000)
	<u>-</u>	<u>-</u>
<b>Net book value 30 June</b>	<u>-</u>	<u>-</u>

**Notes of the Financial Statements**

**Note 6. Non-current assets (continued)**

	<b>2023</b>	2022
<b>6b - Plant and equipment</b>		
Furniture and fittings:		
At cost	<b>29,237</b>	675,303
Accumulated depreciation	<b>(24,242)</b>	(659,076)
	<b>4,995</b>	16,227
Office equipment:		
At cost	<b>55,496</b>	617,160
Accumulated depreciation	<b>(27,689)</b>	(586,426)
	<b>27,807</b>	30,734
Motor vehicles:		
At cost	<b>94,103</b>	153,397
Accumulated depreciation	<b>(34,478)</b>	(123,869)
	<b>59,625</b>	29,527
<b>Total plant and equipment</b>	<b>92,427</b>	76,488
Reconciliation of the opening and closing balances of plant and equipment:		
<b>As at 1 July</b>		
Gross book value	<b>1,445,860</b>	1,494,032
Accumulated depreciation and impairment	<b>(1,369,372)</b>	(1,391,997)
	<b>76,488</b>	102,035
Additions:		
By purchase	<b>74,479</b>	37,200
From acquisition of entities	-	-
Impairments	-	-
Depreciation expense	<b>(35,014)</b>	(62,527)
Other movement	-	-
Disposals:		
From disposal of plant and equipment	<b>(23,526)</b>	(220)
Other	-	-
<b>Net book value 30 June</b>	<b>92,427</b>	76,488

**Notes of the Financial Statements**

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**Note 6. Non-current assets (continued)**

	<b>2023</b>	2022
<b>6c - Intangibles</b>		
Software and websites:		
At cost	<b>239,401</b>	169,834
Accumulated amortisation	<b>(61,154)</b>	(2,675)
	<b>178,247</b>	167,159
Reconciliation of the opening and closing balances of intangibles:		
<b>As at 1 July</b>		
Gross book value	<b>169,834</b>	259,936
Accumulated amortisation and impairment	<b>(2,675)</b>	(242,695)
	<b>167,159</b>	17,241
Additions:		
By purchase	<b>69,567</b>	169,834
From acquisition of entities	-	-
Impairments	-	-
Amortisation expense	<b>(58,479)</b>	(6,095)
Other movement	-	-
Disposals	-	(13,821)
Other	-	-
<b>Net book value 30 June</b>	<b>178,247</b>	167,159

**Notes of the Financial Statements**

**Note 6. Non-current assets (continued)**

	<b>2023</b>	2022
<b>6d - Investments – Real Property</b>		
Land and buildings:		
Strata title properties at cost	<b>192,480</b>	192,480
Accumulated depreciation	<b>(115,488)</b>	(110,676)
	<b>76,992</b>	81,804
Furniture and fittings:		
At cost	-	-
Accumulated depreciation	-	-
	<b>76,992</b>	81,804

Reconciliation of the opening and closing balances of investments - real property:

**As at 1 July**

Gross book value	<b>192,480</b>	251,851
Accumulated depreciation and impairment	<b>(110,676)</b>	(162,483)
	<b>81,804</b>	89,368
Additions:		
By purchase	-	-
From acquisition of entities	-	-
Impairments	-	-
Depreciation expense	<b>(4,812)</b>	(4,812)
Other movement	-	-
Disposals	-	(2,752)
Other	-	-
<b>Net book value 30 June</b>	<b>76,992</b>	81,804

**Notes of the Financial Statements**

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**Note 6. Non-current assets (continued)**

**2023**                      2022

**6e - Investments – Managed Investment Portfolio**

Reconciliation of the opening and closing balances of investments – managed investment portfolio:

**As at 1 July**

Market value	<b>18,242,509</b>	19,347,098
Additions:		
By purchase of investments at cost	-	-
From acquisition of entities	-	-
Disposals	-	-
	<b>18,242,509</b>	19,347,098

Investment income and revaluations within the portfolio	<b>1,223,129</b>	(1,068,589)
Cash distributed during the year for use in AMIC operations	-	-
Portfolio management fees	<b>(36,000)</b>	(36,000)
Fair value (loss) gain on investment	<b>1,187,129</b>	(1,104,589)

<b>Market value 30 June</b>	<b>19,429,638</b>	<b>18,242,509</b>
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**6f - Leases as a lessee**

AMIC leases some IT equipment of less than one year contract term. These leases are short-term and/or leases of low-value items. AMIC has elected not to recognise right-of-use assets and lease liabilities for these leases.

**Notes of the Financial Statements**

**Note 6. Non-current assets (continued)**

	<b>2023</b>	2022
<b>6f - Leases as a lessee (continued)</b>		

Information about leases for which AMIC is a lessee is presented below.

**(a) Right-of-use assets**

Balance at 1 July 2022	<b>12,771</b>	18,278
Additions	-	-
Depreciation expense	<b>(12,771)</b>	(5,507)
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>12,771</b>

**(b) Lease liabilities**

Balance at 1 July 2022	<b>13,541</b>	18,979
Lease liabilities recognised during the year	-	-
Interest expense	<b>336</b>	924
Payments made during the year	<b>(13,877)</b>	(6,362)
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>13,541</b>

Represented as:

Current	-	6,884
Non-current	-	6,657
<b>Lease liabilities in the statement of financial position</b>	<b>-</b>	<b>13,541</b>

**(c) Amounts recognised in profit or loss**

Interest on lease liabilities	<b>336</b>	924
Expenses relating to short-term and low value leases	<b>584</b>	3,191

**(d) Amounts recognised in statement of cash flows**

Total cash outflow for leases	<b>13,541</b>	5,438
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**Notes of the Financial Statements**

**Note 7. Current liabilities**

	<b>2023</b>	2022
<b>7a - Trade payables</b>		
Trade creditors and accruals	<b>222,044</b>	238,501
Payables to other reporting unit	-	-
	<b>222,044</b>	238,501

Settlement is usually made within 30 days.

**7b - Other payables**

ATO integrated client account balance	<b>42,840</b>	107,437
Payroll tax	<b>1,284</b>	391
Fringe benefits tax	-	3,358
Workers' compensation	-	7,388
General creditors and accruals	<b>117,449</b>	68,896
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs payable:		
Litigation	-	-
Other legal costs	-	-
	<b>161,573</b>	187,470

**7c – Contract liabilities**

Unearned revenue – membership subscriptions	<b>26,167</b>	36,538
Unearned revenue – competition income	-	20,931
Unearned revenue – sponsorship income	<b>147,934</b>	94,176
Unearned revenue – event income (Smallgoods)	<b>48,958</b>	-
Unearned revenue – grant income (ATMAC)	<b>369,703</b>	575,000
Unearned revenue – grant income (Workforce Connect Fund)	<b>64,720</b>	-
Unearned revenue – grant income (Export Traceability)	-	30,000
	<b>657,482</b>	756,645

**Notes of the Financial Statements**

**Note 7. Current liabilities (continued)**

	<b>2023</b>	2022
<b>7d – Members special funds</b>		
Retail Apprentices Fund:	<b>185,804</b>	197,992
Received during the year	-	-
Expensed during the year	<b>(185,804)</b>	(12,188)
	<b>-</b>	<b>185,804</b>

AMIC periodically manages voluntary funds on behalf of groups of members. The funds are utilised solely on behalf of those members, and therefore, income and expenditure are not included within AMIC’s Statement of Comprehensive Income, and the balance of funds is disclosed separately from Accumulated Funds.

Funds were originally contributed voluntarily from members and industry partners to fund marketing and promotions for retail butcher members in various states. Those promotional activities have ceased, and it has been determined that the remaining funds are to be spent on activities and projects that promote and support apprentices within the industry. AMIC has no equity in the fund.

**Note 8. Provisions**

	<b>2023</b>	2022
<b>8a – Employee provisions</b>		
Holders of office:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Employees other than office holders:		
Annual leave	<b>205,755</b>	214,749
Long service leave	<b>58,064</b>	60,393
Separations and redundancies	-	-
Other	-	-
	<b>263,819</b>	<b>275,142</b>
	<b>263,819</b>	<b>275,142</b>
Represented as:		
Current	<b>205,755</b>	227,966
Non-current	<b>58,064</b>	47,176
	<b>263,819</b>	<b>275,142</b>

**Notes of the Financial Statements**

**Note 9. Notes to the Statement of Cash Flows**

	<b>2023</b>	2022
<b>9a - Cash flow reconciliation</b>		
Reconciliation of net cash flows from operating activities:		
Profit (loss) for the year	<u>551,535</u>	(1,186,441)
Less items classified as investing/financing activities:		
Rent received	(71,104)	(74,906)
Movement in value of investment portfolio	(1,169,754)	1,068,588
Adjustments for non-cash items:		
Depreciation/amortisation	111,076	152,323
(Gain) loss on disposal of assets	58,705	11,312
Other	-	-
Net cash provided by (used in) operating activities before changes in assets and liabilities	<u>(519,542)</u>	(29,124)
Change in trade and other receivables	(38,996)	(2,652)
Change in inventory	-	-
Change in other current assets	(63,022)	(68,130)
Change in trade payables	(16,457)	104,674
Change in other payables and deferred income	(125,061)	562,837
Change in members special funds	(185,804)	(12,188)
Change in employee provisions	<u>(11,323)</u>	(27,013)
Net cash from (used in) operating activities	<u>(960,205)</u>	528,404
<b>9b - Cash flow information</b>		
Cash inflows - Australian Meat Industry Council	<u>9,482,903</u>	4,174,211
Cash outflows - Australian Meat Industry Council	<u>(5,682,146)</u>	(3,741,891)

**Notes of the Financial Statements**

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**Note 10. Related party transactions**

**2023**                      2022

**10a - Related party disclosures**

The Board members of AMIC act in an honorary capacity and receive ex-gratia honorarium and are entitled to claim travel expenses and per diems, at set rates, for their attendance at Board meetings, Council meetings and Industry meetings. Board honorariums are set out under Note 4a. Each Board member is a representative of an organisation who is itself, a member of AMIC and who pays an annual subscription for that membership under normal commercial conditions.

There were no payments made during the reporting period to former related parties, as described in reporting guideline 20.

**10b - Key management personnel compensation**

Short-term employee benefits:

Salary (including annual leave taken)	<b>1,275,795</b>	1,237,084
Annual leave accrued	<b>(1,661)</b>	28,935
Long service leave paid	-	-
Performance bonus	-	-
	<b>1,274,134</b>	1,266,019

Post-employment benefits:

Superannuation	<b>129,102</b>	116,430

Other long-term benefits:

Long-service leave accrued	<b>5,949</b>	18,166

Termination benefits

Redundancy	-	-

**10c - Transactions with key management personnel and their close family members**

Loans to (from) key management personnel	-	-

Other transactions with key management personnel	-	-

**10d - Payments to former related party**

Payments to former related party of AMIC	-	-

**Notes of the Financial Statements**

**Note 11. Auditor’s remuneration**

	<b>2023</b>	2022
Value of the services provided:		
Audit of the financial statements	<b>24,000</b>	24,000
Other consulting services	-	-
	<b>24,000</b>	24,000

**Note 12. Financial instruments**

	<b>2023</b>	2022
<b>12a – Categories of financial instruments</b>		
<b>Financial assets</b>		
Fair value through profit or loss:		
Investments – managed investment portfolio	<b>19,429,638</b>	18,242,509
At amortised cost:		
Cash at bank	<b>4,601,445</b>	800,688
Trade and other receivables	<b>408,725</b>	369,729
	<b>5,010,170</b>	1,170,417
<b>Carrying amount of financial assets</b>	<b>24,439,808</b>	19,412,926
<b>Financial liabilities</b>		
Fair value through profit or loss:		
Trade payables	<b>222,044</b>	237,001
Other payables	<b>161,573</b>	187,470
Lease liabilities	-	13,541
<b>Carrying amount of financial liabilities</b>	<b>383,617</b>	438,012

The carrying amounts of the financial assets and liabilities in the table above approximate their fair value.

## Notes of the Financial Statements

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### Note 12. Financial instruments (continued)

#### 12b - Financial risk management

AMIC has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### Risk management framework

AMIC actively manages the collection of receivables to minimise the risk of non-payment.

Until May 2015, AMIC only deposited funds with recognised banks and financial institutions of good standing and actively sought to deposit those funds at the best available interest rates. Significant amounts of cash and term deposits were always maintained to ensure continuing liquidity. Since May 2015, significant funds have been placed in a Managed Investment Portfolio, whilst still providing access to sufficient liquidity always.

The objective of the Managed Investment Portfolio is to provide for a regular distribution to AMIC to fund its operations, whilst maintaining the real value of the fund. The strategy is to place 50% of the investment portfolio in growth assets (principally quoted shares and real estate investment trusts) and 50% in income assets (principally fixed interest). The income streams and quoted asset values are subject to market fluctuations.

Prior to the commencement of each financial year, AMIC prepares budgets for the next following year considering current conditions relating to its income streams, services it provides and the costs thereof. AMIC's Constitution & Rules require that the budget demonstrates that AMIC can operate within income budgeted to be received for that financial year.

#### Credit risk

Credit risk is the risk of financial loss to AMIC if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from AMIC's receivables. The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets as at 30 June 2023 was **\$Nil** (2022: \$Nil). AMIC's exposure to credit risk is not significant.

**Notes of the Financial Statements**

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**Note 12. Financial instruments (continued)**

**12b - Financial risk management (continued)**

**Liquidity risk**

Liquidity risk is the risk that AMIC will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. AMIC’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to AMIC’s reputation.

AMIC aims to maintain the level of its cash and cash equivalents and term deposits at an amount in excess of expected cash outflows on financial liabilities. AMIC has also invested in term deposits amounting to **\$670,701** (forming part of investments - managed portfolio) which can be accessed to meet short term liquidity needs. The contractual maturities of the financial liabilities at the reporting date are less than 12 months.

**Market risk**

Market risk is the risk that changes in market prices – e.g. interest rates and equity prices – will affect AMIC’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk*

	<b>2023</b>	2022
Financial assets:		
Cash at bank, at call and short-term deposits maturing in less than three months	<b>4,601,445</b>	797,957
Interest bearing instruments part of managed investment portfolio	<b>9,648,471</b>	9,457,055
	<b>14,249,916</b>	10,255,012

A 10 percent change in interest rates would have increased or decreased surplus by **\$42,750** (2022: \$9,552). This analysis assumes that all other variables remain constant.

*Price Risks*

AMIC is exposed to equity price risk, which arises from equity securities at FVTPL. The management of AMIC monitors the proportion of equity securities in its investment portfolio based on market indices. Investments are designated as at FVTPL because their performance is actively monitored, and they are managed on a fair value basis.

A 10 percent change in equity prices would have increased or decreased surplus by **\$978,117** (2022: \$945,705). This analysis assumes that all other variables remain constant.

**Notes of the Financial Statements**

**Note 13. Equity**

**Note 13A: General funds**

	<b>2023</b>	2022
<b>Retained earnings</b>		
<b>Balance as at start of year</b>	<b>20,087,764</b>	21,274,205
Transferred to general fund (Surplus for the year)	<b>3,632,572</b>	-
Transferred out of general fund (Deficit for the year)	-	(1,186,441)
<b>Balance as at end of year</b>	<b>23,720,336</b>	20,087,764
<b>Total general funds</b>	<b>23,720,336</b>	20,087,764

**Note 13B: Other funds**

	<b>2023</b>	2022
<b>Compulsory levy/voluntary contribution fund</b>		
<b>Balance as at start of year</b>	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
<b>Balance as at end of year</b>	-	-
<b>Total compulsory levy/voluntary contribution fund</b>	-	-

**Note 14. Administration of financial affairs by a third party**

AMIC did not have another entity administer the financial affairs.

**Note 15. Section 272 Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of AMIC, or the Commissioner, may apply to AMIC for specified prescribed information in relation to AMIC to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to AMIC.
- (3) AMIC must comply with an application made under subsection (1).



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUSTRALIAN MEAT INDUSTRY COUNCIL**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Australian Meat Industry Council (the Reporting Unit), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the subsection 255(2A) report and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Reporting Unit as at 30 June 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### **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 Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management 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 Committee of Management is responsible for assessing the Reporting Unit'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 Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objective is 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an auditor registered under the RO Act.

**Nexia Sydney Audit Pty Ltd**



**Vishal Modi**  
**Director**

Registration number (as registered by the RO Commissioner under the RO Act): AA2019/20

Dated this 1<sup>st</sup> day of November 2023