

Australian Industrial Registry  
Level 35  
Nauru House  
80 Collins Street  
MELBOURNE, VIC 3000

24 December 2004

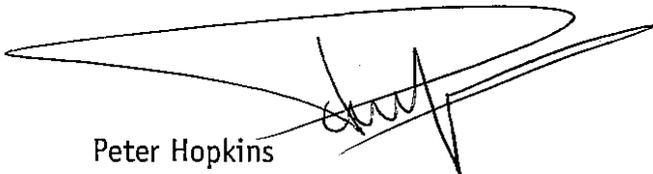
Dear Sirs

Lodgement of Financial Return for year ended 30 June 2004

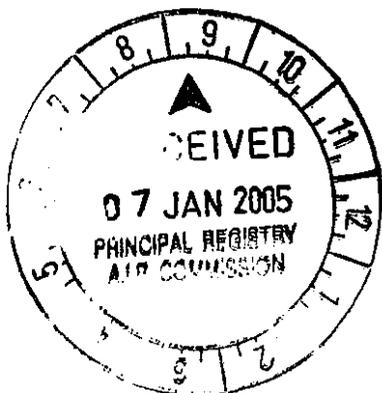
Please find enclosed a copy of the organisation's financial statements to 30 June 2004 as presented to a meeting of members on 16 December 2004.

Also included are an Operating Report, Statement by Committee of Management and Auditors Report.

Yours faithfully,



Peter Hopkins  
Manager Finance and Administration





25 October 2004

TO ALL MEMBERS OF AMIC

Dear Member

In accordance with the requirements of Section 279 of the Industrial Relations Act, the accounts of the Australian Meat Industry Council for the year ended 30 June 2004, which appear on the following pages, are hereby circulated to all members.

These accounts will be submitted for adoption by members attending the Annual General Meeting of the organisation to be held at 1.00 pm on Thursday, 16 December 2004. The meeting will be held at AMIC House, 25-27 Albany Street, Crows Nest NSW.

The accounts reflect the management of the organisation's investments and properties accounts, as well as the general administration of the organisation's financial affairs and provision of services to members.

A handwritten signature in black ink, appearing to read 'K E Cottrill', is written over a horizontal line.

K E Cottrill  
Chief Executive Officer

2nd Floor  
25-27 Albany Street  
Crows Nest NSW  
Australia 2065  
PO Box 1208  
Crows Nest NSW 1585  
T 02 9086 2200  
F 02 9086 2201  
ABN 85 990 853 488

**AUSTRALIAN MEAT INDUSTRY COUNCIL**  
ABN: 65 990 653 488  
**OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2004**

**Review of principal activities**

The Australian Meat Industry Council (AMIC, the Council) came into being as a result of the adoption of a changed set of Constitution and Rules and a name change from the previous National Meat Association of Australia at a Special General Meeting of Members held on 16 May 2003. The change of name was approved and recognised by the Australian Industrial Relations Commission effective 11 August 2003.

The abovementioned changes, followed by an arrangement with a similar organization, the Australian Meat Council limited (AMC Ltd), resulted in AMIC becoming the single Peak Council representing the post farm gate meat industry. The arrangement also resulted in AMIC taking responsibility for the AMC Ltd employees and their leave liabilities. Subsequent to 30 June 2004 these and other liabilities incurred on behalf of AMC have been acquitted by a transfer of cash from AMC Ltd to AMIC.

The formation of one Peak Council for the post-farm-gate meat industry has been well accepted. Much duplication and presentation of different viewpoints to government and other stakeholders has now been eliminated and the industry is more effective for it.

AMIC has been divided into three operating divisions serviced by a central Human Resources and Administration group. The operating divisions reflect the sectors of membership and respond to policies developed by their respective National Councils.

Corporate governance is under the control of a Board which is elected from the operating Councils.

Each of the operating divisions has a strategic direction which is developed by and reflected in each state. The following is an indication of the areas of operation each of the divisions' controls:

The National Retail Council represents independent retail outlets in the meat industry. During 2003 – 2004 development has taken place on the Independent Local Butcher – the Fresh Meat Specialist program. This is intended to loosely bind the independent butchers into a strategic group and build on their common purpose – to be the Fresh Meat Specialist. The program is supported by marketing and operating statements which are reproduced on all documents relating to the Independent Local Butcher.

The National Retail Council also addresses many specific issues including, but not limited to, beef grading, sheep meat eating quality, unit pricing and training requirements for the retail trade.

The National Retail Council is also the initiator of a number of events for the enhancement of members. These include the National Sausage King and associated events in each state, Awards Nights where members are recognised for achievements, Top Shop Awards and a National Trade Day where exhibits specific to meat retailing are featured.

The National Processor and Exporter Councils also have a strategic direction which includes safer production and greater access to markets. Australia exports 65% of its beef products and these markets are susceptible to perceived issues relating to food safety. The Processor and Exporter Councils have therefore taken the National Livestock Identification System and Livestock Production Assurance system as a logical extension to the post-farm-gate product assurance systems.

AMIC was represented throughout the negotiations for the Australia – United States of America Free Trade Agreement. The outcome from this is that Australia will have increasing access to the USA beef market which will eventually overcome the issues related to the USA Beef Quota, another important area of AMIC influence.

AMIC represents members in many state and national forums. Issues relating to a more equitable Workers' Compensation system, food safety on a domestic and international level, equality of production facilities under state and national regulation occupy much of the time of the National Councils and the work of the executive.

The National Smallgoods Council represents that sector of further processing. During the year a Smallgoods Technical Committee was formed with representatives from major companies and those with specific product knowledge. The Technical Committee is an interface between those who develop policies such as Food Standards Australia and New Zealand (FSANZ), state regulators and the industry at large.

The National Smallgoods Council has overseen the introduction of the new standards in relation to UCFM (salami type) products. Specific issues relating to the importation of pig meat from overseas countries including Canada and Denmark have also received attention.

The Central Services Human Resources group provide assistance to members on a range of issues from wage calculations, to advice in relation to workplace agreements, to submissions and representation to governments on a range of people related issues.

Central Services Administration provides accounting and member information to each of the sectors in relation to member visits, telephone contacts and subscriptions.

The year 2004 – 2005 will see a continuation of the above operations and the further linking of AMIC issues to other stakeholders. Food safety and efficient processing will underlie most of the programs in which AMIC is involved.

### **Financial Results**

The financial result for the year to 30 June 2004 is a surplus of \$292,477 – a welcome contrast to a deficit of \$164,966 for the preceding year. This has been achieved partly through increased income from subscriptions and industry consultation contributions as a result of AMIC becoming the only post farm gate Peak Council, but also through containment of costs. The financial statements give a comprehensive picture of the performance for the year and at balance date.

Accumulated funds are therefore some \$11.5 million at 30 June 2004 – representing a very solid financial base for the future with some \$13.1 million of assets and only \$1.6 million of liabilities - and considerable cash reserves.

One asset that is not performing well is the unit trust share portfolio in Credit Suisse – as referred to in the notes to the financial statements. At 30 June 2003, the market value was \$763,130 below cost, but by 30 June 2004 this had reduced to a deficit of \$403,346 – a significant improvement. As in preceding years, although Accounting Standards do require that unrealised deficiencies in quoted investments be taken to account annually, the Board believes that taking up an unrealised investment value fluctuation would distort the real performance of the Council's day to day activities as otherwise reported in the Statement of Financial Performance. The improvement in the investment value over the June 2003 position highlights this.

The Board has also reviewed its Freehold and Strata Title Property assets - and although it has determined that there is a potential valuation surplus available of at least some \$500,000, has likewise chosen not to take such surplus up as Accumulated Funds and

#### **Members of the Board (Committee of Management)**

On 29 May 2003 the Rules and the Constitution of the National Meat Association of Australia were amended and subsequently, on 13 August 2003, its name changed to the Australian Meat Industry Council.

Under the revised Rules and Constitution and pursuant to an interim rule, from 29 May 2003 an Interim Board was created to manage the affairs of the Council until formal elections were held and a new Board of Directors was elected by the general membership on 21 November 2003.

The Council now operates under the control and direction of a Board of Non-Executive Directors (Committee of Management).

The officeholders from May 2003 to June 2004 are:

#### **Interim Board from 29 May 2003 until 21 November 2003**

Name	Capacity	Sector represented	Number of Meetings held/attended from 1 July 2003 to 21 November 2003
Gary Hardwick	Joint Chairman	Processors	2/2
Roger Fletcher	Joint Chairman	Processors	2/2
Grant Edmonds	Director/Treasurer/Secretary Appointed after July 2003	Processors	1/0
Alan Teys	Director	Processors	2/1
Brad Thomason	Director	Smallgoods	2/1
Kerry Melrose	Director	Retail	2/1
Terry Nolan	Director	Processors	2/2
Mike Beaumont	Director	Retail	2/1
Peter Greenham	Director	Processors	2/2

Board of Directors elected 21 November 2003 – and still in office at the date of this report

Name	Capacity	Sector represented	Number of Meetings held/attended to 30 June 2004
Gary Hardwick	Chairman	Processors	2/2
Grant Edmonds	Director/Treasurer/Secretary	Processors	2/1
Alan Teys	Director	Processors	2/2
Terry Nolan	Director	Processors	2/2
Ian Kennedy	Director	Processors	2/2
Ray Kelso	Director	Retail	2/0
Mike Beaumont	Director	Retail	2/2
Kerry Melrose	Director	Retail	2/2
Neil Roberts	Director	Retail	2/2
John Harris	Director	Smallgoods	2/1
Brad Thomason	Director	Smallgoods	2/1

#### **Directors and officers of the Council who are trustees or directors of Industry Superannuation funds**

The Australian Meat Industry Council 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 Board of the trustee company consists of equal numbers of Employer and Member representatives. Necessarily therefore, some Directors of the Australian Meat Industry Council (Committee of Management), other officers or members of the Council are Employer Directors of the superannuation trustee company.

Employer Directors of the Superannuation Fund nominated by the Council are:

Kevin Cottrill (CEO of Australian Meat Industry Council)  
 Peter Greenham (Director of Australian Meat Industry Council and of HW Greenham & Sons Pty Ltd, a member of the Council)  
 Gary Teys (Director of Teys Bros (Holdings) Pty Ltd, a member of the Council)

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

Keith Haslem, a director of Australian Meat Holdings Pty Ltd (a member of AMIC)  
 George Winstanley (not a member of AMIC)  
 David Burns, an employee of Top Cut Food Industries Pty Ltd (a member of AMIC)

It is not a requirement to be a member of the Council to be a Member Director of the Superannuation Fund.

#### **Employees**

Under the governance of the Board Members, the day to day operations are vested in the CEO, Kevin Cottrill together with management and staff conversant with the needs of the various requirements of members in Retail, Processor and Smallgoods

sectors of the meat industry, together with Central Services Administration and Human Resources departments.

The numbers of employees in the Council is set out below:

Function	At 30 June 2003	At 30 June 2004
National Administration and Finance - incl. CEO	6 Full time	6 Full time
Industrial Relations and Human Resources services to members	3 Full time	3 Full time
Retail Member Services	15 Full time and 3 Part time - 16.5 Full time equivalents	10 Full time and 1 Part time - 10.5 Full time equivalents
Processors, Exporters & Smallgoods Member Services	3 Full time	5 Full time and 1 Part time - 5.5 full time equivalents
Totals	27 Full time and 3 Part time - 28.5 Full time equivalents	24 Full time and 2 Part time - 25 Full time equivalents

#### Membership

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

Changes in membership numbers are set out below:

	30 June 2003	Admitted	Terminated/ Resigned	30 June 2004
Retail & General	2028	216	286	1958
Processor	265	65	16	314
Smallgoods	90	4	5	89
Associate (non voting)	35	31	9	57
Totals	2418	316	316	2418

*G Hardwick*

G Hardwick - Chairman

**AUSTRALIAN MEAT INDUSTRY COUNCIL**

ABN: 65 990 653 488

**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2004

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash in Hand		2,745	3,201
Cash at Bank, at Call and short term deposits		4,550,595	3,906,473
Receivables & Sundry Debtors	3	669,809	501,108
Inventory	4	5,919	38,359
Prepayments	5	46,966	38,280
Advance Project Expenses	18	224,189	20,626
		<u>5,499,224</u>	<u>4,508,057</u>
<b>INVESTMENTS</b>			
Other	6	3,863,723	3,867,143
		<u>3,863,723</u>	<u>3,867,143</u>
<b>NON-CURRENT ASSETS</b>			
Real Property	7	3,330,217	3,330,217
Other	7	439,219	545,920
		<u>3,769,436</u>	<u>3,876,137</u>
<b>TOTAL ASSETS</b>		<u>13,132,383</u>	<u>12,251,336</u>
<b>Less:</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade Accounts Payable		127,071	169,858
Provision for Retrenchments	15	58,119	0
Provision for Long Service Leave	15	102,675	58,878
Accrued Annual Leave	15	226,336	177,399
Provision for Sick Leave	15	30,042	9,911
Superannuation payable	15	1,500	4,374
Payroll Tax payable/provided		159,943	149,225
Payroll Clearing		1,827	8,982
Members Subscriptions Received in Advance		7,470	8,817
GST Payable/(Recoverable)		(17,630)	(8,765)
Members Special Funds	17	274,605	243,067
Sundry Creditors and Accruals	19	338,795	117,444
Advance Project Income	18	313,799	97,114
		<u>1,624,552</u>	<u>1,036,984</u>
<b>TOTAL LIABILITIES</b>		<u>1,624,552</u>	<u>1,036,984</u>
<b>NET ASSETS</b>		<u>11,507,831</u>	<u>11,215,353</u>
<b>ACCUMULATED FUNDS</b>			
Retained earnings	8	11,507,831	11,215,353
		<u>11,507,831</u>	<u>11,215,353</u>

To be read in conjunction with the attached notes

## AUSTRALIAN MEAT INDUSTRY COUNCIL

ABN: 65 990 653 488

### STATEMENT OF FINANCIAL PERFORMANCE

Year Ended 30 June 2004

	Note	2004 \$	2003 \$
<b>INCOME</b>			
Membership Subscriptions		2,422,274	2,107,215
Donations & Grants (refund in 2003)	18	0	(28,493)
Industry Consultation (Red Meat Advisory Council Ltd)		436,596	270,510
Interest		242,753	209,142
Dividends		122,393	125,000
Rent Received		182,938	238,939
Mortgage Recovered/(Written Off)		185,284	(19,812)
Other Income	11	127,107	288,989
Proceeds from sale of fixed assets		50,682	52,893
Surplus from Group Training Scheme		26,739	20,794
Commissions Received		72,804	88,186
Project, Event and Promotional Income	18	341,853	412,400
Food Safety Plan Audit Income		273,554	232,554
		<u>4,484,977</u>	<u>3,998,317</u>
<b>EXPENDITURE</b>			
Audit Fees		10,600	11,303
Depreciation		163,028	186,916
Provision for Doubtful Debts		26,237	93,271
Consultants and Professional Fees	12	267,402	306,592
Written down value of assets sold		64,065	51,567
Employee Payroll Costs incl superannuation and on costs		2,093,487	1,930,705
Employee benefits - Officer Bearers		49,749	56,026
Meetings and Conference Expenses	13	186,001	98,563
Motor Vehicle expenses		122,029	140,842
Property Expenses		163,779	159,639
Staff Travel and Accommodation		141,354	100,498
Telecommunications		114,083	128,807
Project, Event and Promotional Expenses	18	314,807	335,813
Cost of saleable items		41,048	61,434
Data processing expenses		41,716	31,941
Debt Collection		20,912	7,467
Fringe Benefits Tax		25,577	39,852
Finance Costs/Bank Charges		10,648	10,740
Staff Recruitment & Training		26,091	13,213
Insurance		40,746	33,226
Business Subscriptions & Information Services		43,616	39,559
Postage Freight & Couriers		65,732	61,569
Printing & Stationery		68,682	49,345
Newsletter and Magazine Expenses		55,347	189,979
Repairs & Maintenance - Equipment		11,834	10,729
Council Election Expenses		10,577	0
Sundry expenses		13,353	13,687
		<u>4,192,500</u>	<u>4,163,283</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<u>292,477</u>	<u>(164,966)</u>
Accumulated Funds at the beginning of the reporting period		11,215,354	11,380,319
<b>ACCUMULATED FUNDS as at 30 June 2004</b>		<u>11,507,831</u>	<u>11,215,353</u>

**AUSTRALIAN MEAT INDUSTRY COUNCIL**

**STATEMENT OF CASH FLOWS**

Year Ended 30 June 2004

	2004	2003
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Membership Subscriptions	2,422,274	2,107,215
Donations & Grants received	0	(28,493)
Interest Received	242,753	209,142
Dividends Received	122,393	125,000
Other Income	1,266,653	2,084,370
Wages Paid	(2,143,236)	(1,986,731)
Other Payments	(1,386,166)	(2,122,922)
<b>Net Cash Flows From Operating Activities</b>	<u>524,671</u>	<u>387,580</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Assets	(120,392)	(100,544)
Purchase of Investments (Dividends reinvested)	0	(125,000)
Proceeds from sale of Share Investments	3,421	0
Mortgage Investment Realised	185,284	1,238,187
Proceeds from sale of Fixed Assets	50,682	52,893
<b>Net Cash Flows from Investing Activities</b>	<u>118,995</u>	<u>1,065,536</u>
<b>Net Cash Increase / (Decrease) in Cash Held</b>	643,666	1,453,116
<b>Balance of Cash at Beginning of Year</b>	3,909,674	2,456,558
<b>Balance of Cash at End of Period</b>	<u>4,553,340</u>	<u>3,909,674</u>

**NOTES TO THE STATEMENT OF CASH FLOW**

	2004	2003
	\$	\$
<b>Reconciliation of Cash</b>		
For the purpose of the Statement of Cash Flow, cash includes cash on hand, in bank and investments maturing less than two months from balance sheet date		
Cash in Hand	2,745	3,201
Cash at Bank and on short term deposit	4,550,595	3,906,473
	<u>4,553,340</u>	<u>3,909,674</u>
<b>Reconciliation of Net Cash provided by Operating Activities to Operating Deficit</b>		
Operating Surplus (Deficit)	292,477	(164,966)
Depreciation	163,028	186,916
Mortgage recovered	(185,284)	19,812
(Profit)/Loss on Sale of Assets	13,383	(1,326)
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Prepayments/Advance Project Costs	(211,240)	25,261
(Increase)/Decrease on Accounts Receivable	(168,701)	625,269
(Increase)/Decrease in Sundry Debtors	0	0
(Increase)/Decrease in Inventory	32,440	70,360
Increase/(Decrease) in Accounts Payable	409,740	(307,292)
Increase/(Decrease) in Provisions	178,829	(66,453)
<b>Net cash provided by operating activities</b>	<u>524,671</u>	<u>387,580</u>

THE AUSTRALIAN MEAT INDUSTRY COUNCIL 65 990 653 488

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

**Note 1 Significant Accounting Policies**

This financial report has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board (except for the treatment of the temporary shortfall in market value of Unit Trust Investments against their cost) and the Industrial Registrar's reporting guidelines under s255 of Schedule 1B of the Workplace Relations Act 1996. Comparative figures for the prior year have been restated where necessary to comply with the current year.

The financial report is for the entity The Australian Meat Industry Council as an individual entity.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Council in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**a. Income Tax**

The Australian Meat Industry Council is classified as an "Employer Association" and as such is exempt from Income Tax under Section 51-15 of the Income Tax Assessment Act 1997.

**b. Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses as may be required.

**c. Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

**Property**

Freehold land and buildings are measured on the cost basis.

Strata Title land and buildings are measured on the cost basis

**Plant and equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount.

**Depreciation**

The depreciable amount of all fixed assets excluding land and buildings are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	7.5% to 33.3%
Furniture & Fittings	7.5% to 40%
Motor Vehicles	20% to 35%

**d. Investments**

Non-current investments are measured on the cost basis, except where there may be a temporary shortfall in current market value against cost. This exception is a departure from Australian Accounting Standard AASB 1010 Recoverable Amount Non-current Assets

**e. Employee Entitlements**

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements arising from wages and salaries, annual leave, long service leave have been measured at their nominal amount. Long Service Leave is accrued as from when a legal liability arises and sick leave is expensed as paid.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

f. **Cash**

For the purposes of the statement of cash flows, cash includes cash in hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

g. **Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Subscription income from members is recognised in the financial year for which the subscription was raised.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

h. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**Note 2 Notice required under Workplace Relations Act**

In accordance with the requirements of the Workplace Relations Act, 1996, as amended, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 which read as follows:-

- (1) A member of an organisation, or a Registrar, may apply to the organisation, for specified prescribed information in relation to the organisation
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or registrar in such manner, and within such time, as prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**Note 3 Receivables**

	Note	2004	2003
Trade debtors		\$ 137,964	\$ 326,783
Employee Liabilities assumed from AMC Ltd	15	142,024	-
Amounts receivable from members		229,000	122,389
Bank Interest Receivable		32,569	15,767
Industry Consultation Funding receivable from Red Meat Advisory Council Ltd		206,682	133,923
Other Debtors & Cash Advance		99,038	169,404
Less: Provision for doubtful debts		(177,485)	(267,158)
		<u>669,809</u>	<u>501,108</u>

**Note 4 Inventories**

	2004	2003
Finished goods	\$ 5,919	\$ 38,359
	<u>5,919</u>	<u>38,359</u>

**Note 5 Other Assets**

	2004	2003
Prepayments	\$ 45,966	\$ 38,290
Advance project costs	313,798	20,627
	<u>359,764</u>	<u>58,916</u>

**Note 6 Other Financial Assets**

Unit Trust Investment — at cost  
Shares in other corporations —

- a. Investments of the Council to be permanent, notwithstanding a temporary 1010 Recoverable Amount this had reduced to \$403 as an expense in the Statement of Financial Position

**Note 7 Property**

Land and Buildings  
Freehold land and buildings at — cost

Strata title properties at — cost

Total Land and Buildings  
Furniture & Fittings  
Less accumulated depreciation

Office Equipment  
Less accumulated depreciation

Motor Vehicles  
Less accumulated depreciation

Total Other Non-Current Assets  
Total Property and Other Non-Current Assets  
a. Movements in Carrying Amounts  
Movement in the carrying amount between the beginning and end of the financial year

Balance at the beginning of the financial year  
Additions  
Disposals  
Depreciation expense  
Carrying amount at the end of the financial year

financial institutions,

**Note 6 Other Financial Assets**

	Note	2004	2003
		\$	\$
Unit Trust investment — at cost	a.	3,863,723	3,863,723
Shares in other corporations — at cost			3,420
		<u>3,863,723</u>	<u>3,867,143</u>

cial assets.

a. Investments of the Council are recorded at the lower of Cost or Market Value as at balance date where such lower value is considered by the Board to be permanent. The unit trust investment in the Credit Suisse Asset Management Trust has been therefore been recorded at cost, notwithstanding a temporary shortfall in market value against cost. This treatment is a departure from Australian Accounting Standard AASB 1010 Recoverable Amount Non-current Assets. At 30 June 2003, the market value was lower than cost by \$763,130 and by 30 June 2004 this had reduced to \$403,346. The shortfall is caused by periodic changes in current quoted share market values and has not been included as an expense in the Statement of Financial Performance as it is not a realised loss and future increases in market value would reverse same.

ed is not recoverable from set or as part of an item of

**Note 7 Property, Plant and Equipment**

	2004	2003
	\$	\$
Land and Buildings		
Freehold land and buildings at:		
— cost	2,286,520	2,286,520
	<u>2,286,520</u>	<u>2,286,520</u>
Strata title properties at:		
— cost	1,043,697	1,043,697
	<u>1,043,697</u>	<u>1,043,697</u>
Total Land and Buildings	<u>3,330,217</u>	<u>3,330,217</u>
Furniture & Fittings	650,615	609,818
Less accumulated depreciation	(407,281)	(367,371)
	<u>243,335</u>	<u>242,447</u>
Office Equipment	1,283,242	1,309,763
Less accumulated depreciation	(1,177,048)	(1,201,243)
	<u>106,195</u>	<u>108,520</u>
Motor Vehicles	256,024	383,421
Less accumulated depreciation	(166,334)	(188,468)
	<u>89,689</u>	<u>194,953</u>
Total Other Non-Current Assets	<u>439,219</u>	<u>545,920</u>
Total Property and Other Non-Current Assets	<u>3,769,436</u>	<u>3,876,137</u>

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

2003	Land & Buildings	Furniture & Fittings	Office Equipment	Motor Vehicles	Total
\$	\$	\$	\$	\$	\$
38,359	3,330,217	242,447	108,520	194,953	3,876,137
38,359		75,633	45,580		121,213
		(21,792)	(7,891)	(35,203)	(64,886)
		(52,953)	(40,014)	(70,061)	(163,028)
2003	3,330,217	243,335	106,195	89,689	3,769,436
\$					
38,290					
20,627					
58,916					

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2003

\$

326,783

122,389

15,767

133,923

169,404

(267,158)

501,108

**Note 8 Retained Surpluses**

	2004	2003
	\$	\$
Retained surpluses at the beginning of the financial year	11,215,354	11,380,320
Net operating surplus/(deficit) for the year	292,477	(164,966)
Retained surpluses at the end of the financial year	<u>11,507,831</u>	<u>11,215,354</u>

**Note 9 Segment Reporting**

The Council operates in one business and geographical segment, being an industry association in Australia.

**Note 10 Corporate/Council Details**

The Council is a corporate entity formed under the Workplace Relations Act 1996.

The registered office and principal place of business of the Council is:

25-27 Albany Street, Crows Nest, NSW 2065

Offices are also maintained at:

Plummer Ave, Melbourne Showgrounds, Ascot vale, Vic 3031 - Pennington Place, 70 Prospect Terrace, Kelvin Grove, Qld 4059

100 Greenhill Road, Unley, SA 5061 - 170 Burswood Road, Victoria Park, WA 6100 - 343 Elizabeth Street, Hobart, Tas 7000

The principal activity of the entity is an industry association.

**Note 11 Other Income**

	2004	2003
	\$	\$
Advertising	24,625	111,134
Disbursements Recovered	2,500	33,753
Management Fees	49,191	48,191
Members Saleable Items and Services	49,607	87,233
Bad Debts Recovered	223	483
Sundry Income	961	8,195
	<u>127,107</u>	<u>288,989</u>

**Note 12 Consultants & Professional Fees**

	2004	2003
	\$	\$
Legal Expenses - Industrial Relations Advice and Services to members	36,380	27,465
Legal Expenses - Debt Recovery	0	7,272
Food Safety Audits - Victoria	205,226	192,855
Other Consultants and Contractors	25,796	79,000
	<u>267,402</u>	<u>306,592</u>

**Note 13 Meetings and Conference Expenses**

	2004	2003
	\$	\$
Councillor Attendance Allowances	42,941	17,619
Councillor Travel Costs to attend meetings	104,196	54,569
Meeting Expenses	38,864	26,375
	<u>186,001</u>	<u>98,563</u>

**Note 14 Mortgage**

In 2004 there was a f expected that no dist property.

**Note 15 Employment**

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**Note 16 Amort**

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**Note 17 Spec**

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2003
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(164,966)
<u>11,215,354</u>

**Note 14 Mortgage Recovered/(Written Off)**

2004	2003
<u>185,284</u>	<u>(19,812)</u>

In 2004 there was a final distribution from an investment trust arising from the sale of an underlying property. In a prior year, it had been expected that no distribution would arise and the amount had been written off. In 2003 there was a shortfall following the sale of an underlying property.

**Note 15 Employee Entitlements**

In August 2003 the National Meat Association of Australia (NMAA) was renamed the Australian Meat Industry Council (AMIC, the Council) and members of the Australian Meat Council Ltd (AMC Ltd) became members of AMIC in July 2004. AMC Ltd employees subsequently transferred to the Council effective 1st September 2003.

The Council therefore assumed AMC Ltd Employee Liabilities for unused leave and redundancy provisions, made up as under, during the current financial year. Subsequent to 30 June 2004, AMC Ltd funded the liabilities taken over (Note 21); therefore no charge has been made to the Council's Statement of Financial performance.

\$	
Annual Leave	38,800
Long Service Leave	18,064
Sick Leave	30,042
Redundancy provision	55,119
<u>142,025</u>	

The share of Employee Benefits (Superannuation, Annual Leave, Sick Leave, Long Service Leave and Retrenchment Provisions) between Office Bearers/Directors and Staff is:

2004	2003	
\$	\$	
Employee Benefits (Superannuation) - Directors	450	0
Employee Benefits - Staff	418,222	250,561

**Note 16 Amounts paid to employers for payroll deductions of membership dues**

The Council has not paid any employers for payroll deduction of membership dues as no dues are received from members' employees.

**Note 17 Special Funds**

The Council operates a number of special voluntary funds on behalf of certain groups of members or others. As the funds are generally wholly expensed on behalf of those members, receipts and expenses are not included in the Council's Statement of Financial Performance (unless the Council is also a contributor/recipient) and the balances are therefore also excluded from the Council's Accumulated Funds.

Fund	Balance 30/6/03	Raised during year	Expensed during year	Balance 30/6/04
Qld Meatworks Association		11,759	0	11,759
WA Special Funds	49,570	0	0	49,570
Q Promotions *	124,282	98,127	72,422	149,987
Vic Processors Workers Comp.		64,100	50,000	14,100
Vic Processors Fighting Fund	6,403	8,000	4,680	9,723
CAPAA Engineers Fund	37,811	1,655	0	39,466
Total	<u>218,066</u>	<u>183,641</u>	<u>127,102</u>	<u>274,605</u>

\* Includes amounts raised from industry as well as members.

The Qld Meatworks Association has not operated since 1993/94 and its remaining funds have been transferred voluntarily to the Council on the basis that they may be spent on matters particular to Queensland meatworks members of the Council.

The WA Special Funds were contributed voluntarily to fund Meat Safety and Training projects for certain members in WA. The funds belong to members and the Council itself has no equity in the fund.

The Q Promotions funds were contributed voluntarily to fund marketing promotions for Retail Butcher members in various states. Contributions have been received from members and industry. The funds are to be spent on marketing and promotions for Retail members and the Council itself has no equity in the fund other than receiving a share of the income used to defray costs involved in administering the fund, projects and promotions.

Srove, Qld 4059  
 bart, Tas 7000

2003
\$
111,134
33,753
48,191
87,233
483
8,195
<u>269,989</u>

2003
\$
27,465
7,272
192,855
79,000
<u>306,592</u>

2003
\$
17,619
54,569
26,375
<u>98,563</u>

The Victorian Processors Workers Compensation funds were being raised voluntarily from members to fund a project to improve the WorkCover arrangements for Processors in the meat industry in Victoria. At 30 June, not all the voluntary levies raised had been paid although the costs had been contracted - and therefore a provision of \$30,000 has been made under Project, Event and Promotional Expenses in the Statement of Financial Performance - representing a contribution the Council will itself make to complete the project.

The Victorian Processor Fighting Fund was contributed voluntarily to fund special projects to further Victorian Processor members' general industry interests as directed by them from time to time. The funds all belong to members and the Council itself has no equity in the fund.

The CAPAA (Council of Australian Public Abattoirs Association) was disbanded in 2001/02 and its remaining funds have been transferred voluntarily to the Council on the basis that they may be spent on matters particular to engineers working in the Australian meat processing industry. The Council itself therefore has no equity in the fund.

**Note 18 Advance Project Income and Advance Project Expenditure**

The Council undertakes a number of projects and trade events for the benefit of members. Only when the projects or events are held and completed are all income and costs relating thereto transferred to Income and Expenditure. Included under Advance Project Income is a \$25,000 Grant received from WorkCover NSW to fund a program for members to help them understand and adopt requirements arising from Occupational Health and Safety and Workers Compensation legislation. At 30 June 2004, this project was not yet completed and therefore the receipt of the Grant has not yet been taken to account under Income.

**Note 19 Sundry Creditors & Accrual**

	2004	2003
	\$	\$
General Creditors and Accruals	290,534	87,398
Legal Expenses - Industrial Relations Advice and Services to members	8,450	5,100
FBT Accrual/(Refund due)	(9,911)	(27,231)
Provision Workers Compensation/(Refund due)	(2,109)	2,366
PAYG withheld from Payroll	51,830	49,812
	<u>338,795</u>	<u>117,444</u>

**Note 20 Interest Rate Risks**

The Council's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as the result of changes in market interest rates and the effective weighted average interest rates on those financial assets is as follows:

	Weighted Average Effective Interest Rate		Floating Rate Principal at year end	
	2004	2003	2004	2003
			\$	\$
Cash at bank	4.57%	4.25%	220,062	215,148
24 hour call deposits	4.90%	4.64%	1,134,989	636,173
Bank Bills maturing within 3 months	4.90%	4.71%	3,195,544	3,055,152
Total Financial Assets			<u>4,550,595</u>	<u>3,906,473</u>

**Note 21 Post Balance Sheet Date Event**

In September 2004, AMC Ltd provided a payment which was used to fund Employee Liabilities taken over (Note 15), together with amounts to be set aside to fund certain costs associated with the winding up of AMC Ltd as under:

	\$
Accountants fees associated with the completion of the winding up of AMC Ltd	20,000
Written biography of AMC Ltd	12,000
	<u>32,000</u>

In accordance

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8/1/04

AUSTRALIAN MEAT INDUSTRY COUNCIL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS



SCOPE

We have audited the financial report of the Australian Meat Industry Council, for the financial year ended 30<sup>th</sup> June 2004 comprising Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements. The management of the Australian Meat Industry Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the organisation.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our Procedures included examinations, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus View) and section 253 and section 255 determination of reporting guidelines of Schedule 1B (*Registration and Accountability of Organisations*) of the *Workplace Relations Act 1996* so as to present a view which is consistent with our understanding of the organisation's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

QUALIFICATION

Australian Meat Industry Council has not recognised the diminution in value of the investment in Credit Suisse Asset Management Trust. This is a departure from Australian Accounting Standard AASB 1010 "Recoverable Amount of Non-Current Assets". AASB 1010 requires that where Non-Current Assets are measured on a cost basis, the assets are written down to their recoverable amount if it is lower than the cost value and that the write down be expensed. The diminution of value in the Credit Suisse Investment trust for the year ended 30 June 2004 amounted to \$403,346 [2003 diminution - \$763,130]. In our opinion, this write down should have been recognised in the year when it occurred. Had this been done, the operating deficit for year ended 30 June 2004 would be (\$110,869) [2003 - (\$928,096)]. Allowing for the foregoing the revised total accumulated funds accounts as at 30 June 2004 would be \$11,104,485 [2003 - \$10,452,223]. The market value of the council's investment in Credit Suisse Investment Trust as at 30 June 2004 was \$3,460,377 [2003 - \$3,100,593].

QUALIFIED AUDIT OPINION

In our opinion:

Except for the effects on the financial report of the matter referred to in the qualification paragraph.

- 1) There were kept by the organisation in relation to the year, satisfactory accounting records, including:
  - a) records of the transactions and financial position of the organisation (including income from members); and
  - b) financial records that enabled a general purpose financial report to be prepared; and
- 2) The attached accounts and statements, prepared in accordance with the Australian Accounting Standards, other mandatory professional reporting requirements and section 253 and section 255 determination of reporting guidelines of Schedule 1B (*Registration and Accountability of Organisations*) of the *Workplace Relations Act 1996* in relation to the year were properly drawn up so as to give a true and fair view of:
  - a) the financial position of Australian Meat Industry Council as at 30 June 2004; and
  - b) the results of its operations and cash flows for the year then ended; and

All information and explanations required for the purposes of our audit were supplied.

B. P. Woodward & Associates  
Chartered Accountants

B. P. Woodward  
Partner  
Registered Company Auditor

SYDNEY  
25<sup>th</sup> October 2004

I, \_\_\_\_\_

of \_\_\_\_\_

being a member  
hereby appoint

As my proxy vote  
**Thursday, 16 1**

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<u>49,812</u>
<u>117,444</u>

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ate Principal at year end
2003
\$
215,148
636,173
<u>3,055,152</u>
<u>3,906,473</u>

≥ 15), together with amounts to

## AUSTRALIAN MEAT INDUSTRY COUNCIL

### STATEMENT OF THE COMMITTEE OF MANAGEMENT

In accordance with a resolution of the Committee of Management we declare that in the opinion of the Committee:

- (a) the accompanying financial statements, notes and cash flows comply with Australian Accounting Standards (except for the treatment of the temporary shortfall in market value of Unit Trust Investments against their cost per AASB 1010 Recoverable Amount Non-current Assets) and the reporting guidelines of the Industrial Registrar, give a true and fair view of the financial performance, financial position and cash flows of the Council for the financial year to which they relate; and
- (b) there are reasonable grounds to believe that the Council will be able to pay its debts as and when they become due and payable; and
- (c) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the Council; and
  - (ii) the financial affairs of the Council have been managed in accordance with the rules of the Council; and
  - (iii) the financial records of the Council have been kept and maintained in accordance with the Registration and Accountability of Organisations Schedule and Registration and Accountability of Organisations Regulations; and
  - (iv) the Council consist of only one reporting unit; and
  - (v) any information sought in any request of a member of the Council or a Registrar duly made under section 272 of the Registration and Accountability of Organisations Schedule has been furnished to the member or the Registrar; and
  - (vi) there has been no order for inspection of financial records made by the Commission under section 273 of the Registration and Accountability of Organisations Schedule
- (d) the organisation has, in relation to the Auditor's report and the accounts and statements in respect of the immediately preceding year, complied with the provisions of Sec 279(1) and 279(6) of the Workplace Relations Act 1996

Signed on behalf of the Committee of Management in accordance with the resolution of the Committee dated:

Gary Hardwick

Grant Edmonds




at Sydney this 22<sup>nd</sup> day of October 2004



and 30<sup>th</sup> June 2004  
and Notes to the  
preparation and  
independent audit of the

assurance as to  
on a test basis, of  
the auditing policies and  
procedures, in all material  
respects, the satisfactory  
performance of reporting  
requirements for the year  
ended 30 June 1996 so as to  
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in relation to

## FORM OF PROXY

I, \_\_\_\_\_  
of \_\_\_\_\_

being a member or a representative of a Member of the Australian Meat Industry Council, do hereby appoint -

### THE CHAIRMAN OF THE MEETING

As my proxy vote for me on my behalf at the *Annual General Meeting* to be held on *Thursday, 16 December 2004* and at any adjournment thereof.

I am, or the corporation, company or trust which I represent, is a financial Member of AMIC.

This form must be in the hands of the: National Secretary/Treasurer  
2<sup>nd</sup> Floor,  
25-27 Albany Street  
CROWS NEST NSW 2065  
Fax: 02 9086 2201

**NO LATER THAN 5.00 PM ON TUESDAY, 14 DECEMBER 2004**

*Only financial members of AMIC are entitled to vote.*

*Where the Member appointing the proxy is a corporation, company or trust, the proxy shall be under the hand of the Secretary of the corporation or company or anyone authorised by him to appoint a proxy or anyone authorised by the trustee to appoint a proxy.*

2nd Floor  
25-27 Albany Street  
Crows Nest NSW  
Australia 2065  
PO Box 1208  
Crows Nest NSW 1585  
T 02 9086 2200  
F 02 9086 2201  
ABN 65 990 653 498



**Australian Government**  
**Australian Industrial Registry**

Level 36, 80 Collins Street  
Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 8655 0401  
Email: melbourne@air.gov.au

Our ref:060N

Mr K E Cottrill  
Chief Executive Officer  
Australian Meat Industry Council  
PO Box 1208  
CROWS NEST NSW 1585

Dear Mr Cottrill

**Re: Australian Meat Industry Council - Financial documents - Workplace Relations Act 1996  
- FR2004/391**

I have received a letter of Mr Peter Hopkins, Manager Finance and Administration, accompanied by the financial documents of the abovenamed organisation for the year ended 30 June 2004. The documents were received in this office on 7 January 2005.

The Auditor's Report accompanying the documents contains the following qualification.

"Australian Meat Industry Council has not recognised the diminution in value of the investment in Credit Suisse Asset Management Trust. This is a departure from Australian Accounting Standard AASB 1010 "Recoverable Amount of Non-Current Assets". AASB 1010 requires that where Non-Current Assets are measured on a cost basis, the assets are written down to their recoverable amount if it is lower than the cost value and that the write down be expensed. The diminution of value in the Credit Suisse Investment trust for the year ended 30 June 2004 amounted to \$403,346 [2003 diminution - \$763,130]. In our opinion, this write down should have been recognised in the year when it occurred. Had this been done, the operating deficit for year ended 30 June 2004 would be (\$110,869) [2003 - (928,096)]. Allowing for the foregoing the revised total accumulated funds accounts as at 30 June 2004 would be \$11,104,485 [2003 - \$10,452, 223]. The market value of the council's investment in Credit Suisse Investment Trust as at 30 June 2004 was \$3,460, 377 [2003 - \$3,100,593]"

I note the above issue is also drawn to the members attention in the Operating Report under the heading "Financial Results" and also in "Note 6 under Notes to the Financial Statements".

Under subsection 332(1) of the Act a Registrar is obliged to investigate any (i) defect or irregularity or (ii) deficiency, failure or shortcoming disclosed in an auditor's report. However, a Registrar is not required to investigate the defect, irregularity, deficiency, failure or shortcoming if after consultation with the reporting unit (organisation) concerned and the auditor, the Registrar is satisfied that the defect, irregularity, deficiency, failure or shortcoming is trivial or will be remedied in the following year - see subsection 332(2)(b).

Sections 332 and related s252, 253 and 257 are reproduced at attachment A.

Accordingly, would you please arrange for the auditor to provide information to the Registry about the nature and detail of the qualification. I request that the information include the auditor's opinion as to whether the qualification is a "defect, irregularity, deficiency, failure or shortcoming" in the context of the sections reproduced at attachment A, and, if the auditor considers it to be such, the auditor's opinion as to its materiality.

If you wish to discuss this matter you may contact me on 03-86617990.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Paul Herrod".

Paul Herrod  
Statutory Services Branch  
2 March 2005

cc to Auditor: B. P. Woodward & Associates

### **332 Investigations arising from auditor's report**

(1) Subject to subsection (2), a Registrar must:

(a) where the documents lodged in the Industrial Registry under section 268 include a report of an auditor setting out any:

- (i) defect or irregularity; or
- (ii) deficiency, failure or shortcoming; and

(b) where for any other reason the Registrar considers that a matter revealed in the documents should be investigated- investigate the matter.

(2) The Registrar is not required to investigate the matters raised in the report of the auditor if:

(a) the defect, irregularity, deficiency, failure or shortcoming consists solely of the fact that the organisation concerned has kept financial records for its membership subscriptions separately on a cash basis as provided in subsection 252(4); or

(b) after consultation with the reporting unit and the auditor, the Registrar is satisfied that the matters are trivial or will be remedied in the following financial year.

(3) Where, having regard to matters that have been brought to notice in the course of, or because of, an investigation under subsection (1), a Registrar forms the opinion that there are grounds for investigating the finances or the financial administration of the reporting unit, the Registrar may make the further investigation.

### **252 Reporting unit to keep proper financial records**

(1) A reporting unit must:

(a) keep such financial records as correctly record and explain the transactions and financial position of the reporting unit, including such records as are prescribed; and

(b) keep its financial records in such a manner as will enable a general purpose financial report to be prepared from them under section 253; and

(c) keep its financial records in such a manner as will enable the accounts of the reporting unit to be conveniently and properly audited under this Part.

(2) Where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner.

Note 1: This would involve, for example, the adoption of consistent accounting policies and a common chart of accounts for all reporting units in the organisation.

Note 2: This requirement is subject to subsection (4) which allows reporting units to keep some records on a cash basis.

(3) Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

(4) If an organisation keeps the financial records referred to in subsection (1) on an accrual basis, it may keep the financial records for its membership subscriptions separately on a cash basis.

(5) An organisation must retain the financial records kept under subsection (1) for a period of 7 years after the completion of the transactions to which they relate.

### **253 Reporting unit to prepare general purpose financial report**

(1) As soon as practicable after the end of each financial year, a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year.

(2) The general purpose financial report must consist of:

(a) financial statements containing:

(i) a profit and loss statement, or other operating statement; and

(ii) a balance sheet; and

(iii) a statement of cash flows; and

(iv) any other statements required by the Australian Accounting Standards; and

(b) notes to the financial statements containing:

(i) notes required by the Australian Accounting Standards; and

(ii) information required by the reporting guidelines (see section 255); and

(c) any other reports or statements required by the reporting guidelines (see section 255).

(3) The financial statements and notes for a financial year must give a true and fair view of the financial position and performance of the reporting unit. This subsection does not affect the obligation for a financial report to comply with the Australian Accounting Standards.

Note 1: This section is a civil penalty provision (see section 305).

Note 2: The Australian Accounting Standards may be modified for the purposes of this Schedule by the regulations.

Note 3: If the financial statements and notes prepared in compliance with the Australian Accounting Standards would not give a true and fair view, additional information must be included in the notes to the financial statements under paragraph (2)(b).

### **257 Powers and duties of auditors**

(1) An auditor of a reporting unit must audit the financial report of the reporting unit for each financial year and must make a report in relation to the year to the reporting unit.

(2) An auditor, or a person authorised by an auditor for the purposes of this subsection, is:

(a) entitled at all reasonable times to full and free access to all records and other documents of the reporting unit relating directly or indirectly to the receipt or payment of money, or to the acquisition, receipt, custody or disposal of assets, by the reporting unit; and

(b) entitled to seek from any designated officer, or employee of the reporting unit, such information and explanations as the auditor or authorised person wants for the purposes of the audit.

(3) If an auditor requests an officer, employee or member of an organisation to produce records or other documents under paragraph (2)(a), the request must:

(a) be in writing; and

(b) specify the nature of the records or other documents to be produced; and

(c) specify how and where the records or other documents are to be produced; and

(d) specify a period (of not less than 14 days after the notice is given) within which the records or other documents are to be produced.

(4) If an auditor authorises a person for the purposes of subsection (2), the auditor must serve on the reporting unit a notification that sets out the name and address of the person.

(5) An auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

(a) the Australian Accounting Standards;

(b) any other requirements imposed by this Part.

If not of that opinion, the auditor's report must say why.

(6) If the auditor is of the opinion that the general purpose financial report does not so comply, the auditor's report must, to the extent it is practicable to do so, quantify the effect that non-compliance has on the general purpose financial report. If it is not practicable to quantify the effect fully, the report must say why.

(7) The auditor's report must describe:

(a) any defect or irregularity in the general purpose financial report; and

(b) any deficiency, failure or shortcoming in respect of the matters referred to in subsection (2) or section 252.

(8) The form and content of the auditor's report must be in accordance with the Australian Auditing Standards.

(9) The auditor's report must be dated as at the date that the auditor signs the report and must be given to the reporting unit within a reasonable time of the auditor having received the general purpose financial report.

(10) An auditor must not, in a report under this section, make a statement if the auditor knows, or is reckless as to whether, the statement is false or misleading.

Note: This subsection is a civil penalty provision (see section 305).

(11) If:

(a) the auditor suspects on reasonable grounds that there has been a breach of this Schedule or reporting guidelines; and

(b) the auditor is of the opinion that the matter cannot be adequately dealt with by comment in a report or by reporting the matter to the committee of management of the reporting unit;

the auditor must immediately report the matter, in writing, to the Industrial Registrar.

Note: This subsection is a civil penalty provision (see section 305).



**Australian Government**  
**Australian Industrial Registry**

Level 36, 80 Collins Street  
Melbourne, VIC 3000  
GPO Box 19945, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9655 0401  
Email: melbourne@air.gov.au

Our Ref:060N

Mr B P Woodward  
B P Woodward & Associates  
Chartered Accountants  
83 York St  
SYDNEY NSW 2000

Dear Mr Woodward

**Re: Australian Meat Industry Council - Financial documents - Workplace Relations Act 1996  
- FR2004/391**

I enclose a copy of my correspondence of today's date to Mr K E Cottrill, Chief Executive Officer, of the Australian Meat Industry Council for your information.

If you wish to discuss this matter you may contact me on 03-86617990.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Herrod'.

Paul Herrod  
Statutory Services Branch  
2 March 2005

Received  
15/3/05  


10 March 2005

Mr Paul Herrod  
Statutory Services Branch  
Australian Industrial Registry  
Box 1994S  
MELBOURNE VIC 3001

Dear Mr Herrod

**Re: Australian Meat Industry Council – Financial documents – Workplace Relations Act  
1996 – FR2004/391**

We refer to the above request for further information in relation to the Financial Statements date 30 June 2004. In particular the qualification on those accounts by the auditor B P Woodward & Associates refers to the investment in the Credit Suisse Asset Management Trust.

This matter was considered by the Board of AMIC and it was resolved that this investment should not be revalued at 30 June 2004. A similar decision was made in relation to the property and fixed assets of AMIC. The auditor provided specific advice which was considered by the Board prior to making the decision not to revalue and accepted the consequences of a qualification on those accounts.

Management had met prior to the Board meeting with Credit Suisse representatives to ascertain why the investment had performed so poorly in a strong market and was advised that Credit Suisse accepted that the underperformance had been addressed with internal changes in their investment team.

The units in this Credit Suisse Asset Management Trust significantly improved in value in the period from July to December 2004 and the Board resolved that the investment should be liquidated in February 2005. The book value at 30 June 2004 was \$3,863,722.80 and the investment was realised in February 2005 at \$3,935,162.76, a surplus of \$71,439.96.

Your further advice in this matter would be appreciated.

Yours faithfully



Kevin Cottrill  
Chief Executive Officer

2nd Floor  
25-27 Albany Street  
Crows Nest NSW  
Australia 2065  
PO Box 1208  
Crows Nest NSW 1585  
T 02 9086 2200  
F 02 9086 2201  
ABN 65 990 653 488



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**Australian Industrial Registry**

Level 36, 80 Collins Street  
Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
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Email: melbourne@air.gov.au

Our ref:060N

Mr K E Cottrill  
Chief Executive Officer  
Australian Meat Industry Council  
PO Box 1208  
CROWS NEST NSW 1585

Dear Mr Cottrill

**Re: Australian Meat Industry Council - Financial documents - Workplace Relations Act 1996  
- FR2004/391**

I have received your letter dated 10 March 2005 providing further information about a qualified audit report in relation to the financial documents of the organisation for the year ended 30 June 2004. Your letter was received in this office on 15 March 2005.

Under subsection 332(1) of the Act a Registrar is obliged to investigate any (i) defect or irregularity or (ii) deficiency, failure or shortcoming disclosed in an auditor's report. However, a Registrar is not required to investigate the defect, irregularity, deficiency, failure or shortcoming if after consultation with the reporting unit (organisation) concerned and the auditor, the Registrar is satisfied that the defect, irregularity, deficiency, failure or shortcoming is trivial or **will be remedied in the following year** - (my emphasis) see subsection 332(2)(b).

Accordingly, as the units in the investment trust were liquidated in February of this year it would appear that no further action is required concerning the subject financial documents.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Herrod'.

Paul Herrod  
Statutory Services Branch  
15 March 2005

cc to Auditor: B. P. Woodward & Associates