



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

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Mr Craig Cook  
Secretary/Treasurer  
Australian Meat Industry Council  
PO Box 1208  
CROWS NEST NSW 1585

Dear Mr Cook

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)  
Financial report for year ended 30 June 2008 – FR2008/236**

I have received the financial report for the Australian Meat Industry Council for the year ended 30 June 2008. The documents were lodged in the Australian Industrial Registry on 9 December 2008.

The documents have been filed.

Your compliance with our request to date all documents of the full report as a matter of course has been noted and much appreciated. However, there are some further matters which will require your attention when preparing future financial reports.

**1. Auditor's Report – Presented Fairly**

Section 257(5) of the RAO Schedule reads:

*“(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.” (my emphasis)*

The auditor's opinion in these accounts use the phrase “true and fair view”, which while used elsewhere in the RAO Schedule in relation to the general purpose financial report, is not the wording prescribed by s257(5) for the auditor's opinion.

The wording of the auditor's opinion in future year's accounts should comply with s257(5).

A form of words which in our view meets this requirement is:

*“In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.”*

Also the reference to Schedule 1B appearing in the auditor's opinion should now be referred to as Schedule 1 or the RAO Schedule due to recent amendments to the *Workplace Relations Act*.

I would ask you to please bring this to the attention of your auditor.

**2. Notice under section 272(5) in the General Purpose Financial Report (GPFR)**

Under note 2 of the Notes to the GPFR the reproduction of subsections 272(1), (2) and (3) is of the previous wording. That section has since been amended as follows:

*“(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit 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 the reporting unit.*

*(3) A reporting unit must comply with an application made under subsection (1).*

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

Please incorporate current subsections 272(1), (2) and (3) in future financial reports.

### **3. Committee of Management Statement**

Item 25(a) of the reporting guidelines of the Industrial Registrar specifies that the committee of management must state an opinion as to whether the financial statements and notes comply with the “**Australian** Accounting Standards” (my emphasis). I note in the lodged Statement a resolution was passed stating “the accompanying financial statements, notes and cash flows comply with Accounting Standards...”

In future can you ensure the committee state its opinion in terms of whether the financial statements and notes comply with the **Australian** Accounting Standards.

### **4. References to sections 279(1) and 279(6)**

In the Secretary’s Certificate dated 4 December 2008 and the Statement of the Committee of Management dated 15 September 2008 there are references to subsections 279(1) and 279(6). These subsections have been cited in error.

In the Secretary’s Certificate the correct citation to the legislation in the final paragraph should be:

*“...documents have been supplied to members in accordance with subsection 265(1) and were presented to members in accordance with section 266.”*

In the Statement of the Committee of Management, it is not a requirement under the guidelines of the Industrial Registrar to pass a resolution pertaining to paragraph (d). In any event, the subsections have been cited in error.

For your assistance, I have enclosed a website address to allow you to access the current Schedule 1, reporting guidelines and regulations that govern the financial reporting rights and obligations of registered organisations: <http://www.airc.gov.au/legislation/rao.htm> .

Your cooperation in remedying the above matters in future financial reports will be much appreciated and avoid delays in filing the documents. Should you wish to discuss any matters regarding the above I may be contacted on (03) 8661 7989 (Wed – Fri) or by e-mail at [cynthia.lobooth@airc.gov.au](mailto:cynthia.lobooth@airc.gov.au).

Yours faithfully,



Cynthia Lo-Booth  
Statutory Services Branch

8 January 2009

Cc: Mr Peter Hopkins  
Manager Finance & Administration  
Australian Meat Industry Council  
By email [phopkins@amic.org.au](mailto:phopkins@amic.org.au)

Mr A Schultz  
Statutory Services Branch  
Australian Industrial Registry  
GPO Box 1994  
MELBOURNE, VIC 3001



5 December 2008

Dear Mr Schultz,

**Financial Documents for year ended 30 June 2008**

Please find enclosed a copy of our Annual Report together with Secretary's Certificate.

If there are any outstanding lodgements, please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Peter Hopkins", written over a large, light-colored oval scribble.

Peter Hopkins  
Manager Finance & Administration

## AUSTRALIAN MEAT INDUSTRY COUNCIL

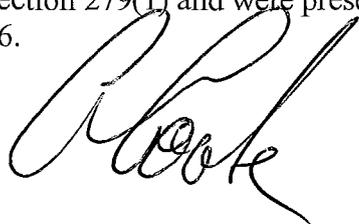
### SECRETARY'S CERTIFICATE

I, Craig Cook, being the Secretary/Treasurer of the Australian Meat Industry Council, do hereby state that documents annexed hereto are copies of the reports and audited accounts and financial statements for the year ended 30<sup>th</sup> June 2008 that were:

Provided to members free of charge on or about 3 November 2008

Presented to a meeting of members of the Australian Meat Industry Council on 4 December 2008.

I confirm that the documents have been supplied to members in accordance with subsection 279(1) and were presented to members in accordance with subsection 279/6.



Craig Cook,

Secretary/Treasurer

4 December 2008

## AUSTRALIAN MEAT INDUSTRY COUNCIL

ABN: 65 990 653 488

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2008

#### Review of principal activities

The Australian Meat Industry Council (AMIC) is the Peak Council representing the post farm gate meat industry.

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

Corporate governance is under the control of the Board (Committee of Management), which is elected from the National Councils.

Each of the operating divisions has a strategic direction that is developed by their relevant Industry Councils. The following is an overview of the operations of each of the National Industry Councils.

The National Retail Council represents independent retail outlets in the meat industry. During 2007–2008 the Council has been engaged in activities related to increasing the total sales of red meat through the Independent Local Butcher network. The Fresh Meat Specialists are ideally placed to promote on a personal basis the benefits of red meat and the preparation required to utilise the full cuts from the carcass.

The design and delivery of appropriate training to ensure that skilled labour is available to the Independent Local Butcher network has been another major initiative of the National Retail Council. In this, the Council works closely with the registered training organisations and MINTRAC to ensure the appropriate level of input to their activities.

The National Retail Council continues to promote a number of events for the enhancement of members' profile within the community. These include the National Sausage King together with associated events in each state and Awards Nights where members are recognised for achievements.

The Australian Processor Council also has a strategic direction of greater access to world markets. This drives a strong focus on continuous improvements in processes and procedures to enhance the customers' perception of the suitability of our products to satisfy their needs. The Australian Processor Council has several projects which will reduce the cost of compliance without compromising food safety and the image of Australian meat products.

The National Smallgoods Council represents the further processing meat industry sector. Food safety issues continue to be a major focus and the Smallgoods Technical Committee is an important support mechanism with input from major companies and those with specific product knowledge. The Smallgoods 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.

AMIC represents members in many state and national forums. Issues relating to improved Occupational Health and Safety outcomes, a more equitable Workers' Compensation system, enhanced food safety objectives at both domestic and international level and equality of production facilities under state and national regulation occupy much of the time of the National Councils and the work of the management and staff.

The Central Services Human Resources group provide assistance to members on a range of issues - from wage calculations, 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 2008–2009 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 2008 is a surplus of \$630,190, a significant decrease over the prior year – primarily as a result of the surplus of \$2,591,118 on the sale of the organisation's freehold offices in Sydney in August 2006 being included in the prior year's results. Apart from the above sale, the surplus in the prior year result would have been \$453,467, against which the 2008 result represents an increase of \$176,723. The detail financial statements give a comprehensive picture of the performance for the year and at balance date.

Accumulated funds are therefore some \$16.1 million at 30 June 2008 – maintaining a very solid financial base for the future with some \$18.1 million of assets (including cash of some \$12.4 million) and \$2.0 million of liabilities.

### **Directors and officers of the Council who are trustees or directors of Industry Superannuation Funds at the date of this report**

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 Board of the trustee company consists of equal numbers of "Employer" and "Member" representatives. Necessarily therefore, some officers or members of AMIC are Employer Directors of the AMIST superannuation trustee company.

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

- Kevin Cottrill (CEO of AMIC)
- Peter Greenham (Director of HW Greenham & Sons Pty Ltd, a member of AMIC)
- Gary Teys (Director of Teys Bros (Holdings) Pty Ltd, a member of AMIC)

It is a requirement that to be an "Employer Director" of the AMIST superannuation fund, that person must be a member or officer of AMIC.

“Member Directors” of the AMIST superannuation fund elected from the superannuation fund’s membership are:

- Keith Haslem, an employee of Swift Australia Pty Ltd (not a member of AMIC)
- Frank Raeside, an employee of I.M.T. Processing Pty Ltd (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 AMIC to be a “Member Director” of the AMIST superannuation fund.

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

AMIC operates under the control and direction of a Board of Non-Executive Directors (Committee of Management). The Board had previously been elected every two years, but from November 2007 is elected for a term of four years.

The officeholders in office from the date of the last report until the date of this report are:

Name	Capacity	Sector Represented	Number of Meetings held/attended 6 December 2007 to 15 September 2008
Terry Nolan	Director/Chairman, continuing	Processors	5/5
Roger Fletcher	Director, continuing	Processors	5/4
Kerry Melrose	Director, continuing	Retail	5/5
Andrew Ridder	Director, continuing	Smallgoods	5/4
Garry Burridge	Director, appointed November 2007	Processors	5/4
Craig Cook	Director/Treasurer/Secretary, appointed November 2007	Retail	5/5
James Ralph	Director, appointed November 2007	Processors	5/3
Ronald Stapleton	Director, appointed November 2007	Retail	5/3
Brendon Watts	Director, appointed November 2007	Retail	5/3
Bradley Thomason	Director, appointed November 2007	Smallgoods	5/2
Grant Edmonds	Director, retired November 2007, re-appointed December 2007	Processors	4/3
Peter Hummerston	Director/Treasurer/Secretary, retired November 2007	Retail	N/A
Mike Beaumont	Director, retired November 2007	Retail	N/A
Ray Kelso	Director, retired November 2007	Retail	N/A
Allan Teys	Director, resigned September 2007	Processors	N/A

## Employees

Under the governance of the Board of Directors, AMIC's day to day operations are vested in senior 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 2008
National Administration and Finance – incl. CEO	5 Full time
Industrial Relations and Human Resources services to members	4 Full time
Retail Member Services	9 Full time and 3 Part time – 10.5 full time equivalents
Processors, Exporters & Smallgoods Member Services	5 Full time and 1 Part time – 5.5 full time equivalents
Totals	23 Full time and 4 Part time – 25 full time equivalents

## Membership

An AMIC member may resign from membership 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.

The register of members at the end of the financial year contains the following membership numbers:

Industry Sector	Number of Members
Retail & General	1878
Processor	251
Smallgoods	64
Associate (non voting)	74
Totals	2267



T Nolan – Chairman

15<sup>th</sup> September 2008

# AUSTRALIAN MEAT INDUSTRY COUNCIL

ABN: 65 990 653 488

## BALANCE SHEET

As at 30 June 2008

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash in Hand		2,745	2,745
Cash at Bank, At Call and Short Term Deposits maturing less than two months		5,933,950	1,439,330
Bank Deposits and Bank Bills maturing in more than two months		6,451,567	13,617,919
Receivables & Sundry Debtors	3	770,247	521,076
Inventory	4	12,665	6,688
Prepayments	5	28,051	54,290
Advance Project Expenses	5,19	240,180	269,166
		<u>13,439,406</u>	<u>15,911,214</u>
<b>NON-CURRENT ASSETS</b>			
Real Property	6	2,935,273	192,479
Other	6	884,872	297,092
Investment Property - Real Property	7	851,219	851,219
Investment Property - Other	7	5,845	10,924
		<u>4,677,209</u>	<u>1,351,713</u>
<b>TOTAL ASSETS</b>		<u>18,116,615</u>	<u>17,262,927</u>
Less:			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Provision for Termination Pay		-	25,647
Provision for Long Service Leave		141,865	137,944
Accrued Annual Leave		323,190	283,528
Superannuation payable		-	454
Total Employee Entitlements	14	<u>465,055</u>	<u>447,573</u>
Payroll Tax payable/provided	16	169,700	163,010
Trade Accounts Payable		138,995	87,721
Members Subscriptions Received in Advance		10,361	22,762
GST Payable/(Recoverable)		(22,246)	(56,588)
Members Special Funds	17	245,079	242,264
Sundry Creditors, Accruals and Provisions	18	684,732	699,493
Advance Project Income	19	284,774	146,719
<b>TOTAL LIABILITIES</b>		<u>1,976,450</u>	<u>1,752,953</u>
<b>NET ASSETS</b>		<u>16,140,165</u>	<u>15,509,975</u>
<b>ACCUMULATED FUNDS</b>			
Retained earnings	8	<u>16,140,165</u>	<u>15,509,975</u>
		<u>16,140,165</u>	<u>15,509,975</u>

To be read in conjunction with the attached notes

# AUSTRALIAN MEAT INDUSTRY COUNCIL

ABN: 65 990 653 488

## STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June 2008

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	Retained Profits	Reserves	Total
	\$	\$	\$
Balance at 1 July 2006	12,465,389	-	12,465,389
Surplus attributable to members year ended 30/6/07	3,044,586	-	3,044,586
Balance at 1 July 2007	15,509,975	-	15,509,975
Surplus attributable to members year ended 30/6/08	630,190	-	630,190
Balance at 30 June 2008	16,140,165	-	16,140,165

Note: There were no retrospective adjustments to accumulated funds resulting from the adoption of the Australian equivalent of International Reporting Standards

# AUSTRALIAN MEAT INDUSTRY COUNCIL

ABN: 65 990 653 488

## INCOME STATEMENT Year Ended 30 June 2008

	Note	2008 \$	2007 \$
<b>INCOME</b>			
Membership Subscriptions		2,380,803	2,472,411
Industry Consultation (Red Meat Advisory Council Ltd)		1,001,144	837,354
Interest Received		982,256	911,169
Rent Received		153,347	143,101
Other Income	11	112,423	124,872
Proceeds from sale of fixed assets		13,364	5,009,273
Affinity Commissions		44,284	47,833
Project, Event and Promotional Income	19	930,628	578,593
Food Safety Plan Audit Income		392,753	368,658
		<u>6,011,003</u>	<u>10,493,264</u>
<b>EXPENDITURE</b>			
Audit Fees		20,981	12,800
Depreciation		148,786	92,973
Provision for Doubtful Debts		12,354	(2,408)
Consultants and Professional Fees	12	355,169	394,969
Written down value of assets sold		1,597	2,388,335
Employee Payroll Costs incl. superannuation and on costs		2,477,283	2,344,393
Employee benefits - Officer Bearers		75,308	74,502
Meetings and Conference Expenses	13	273,752	235,318
Motor Vehicle Expenses		128,451	113,176
Property Expenses		258,812	309,082
Staff Travel and Accommodation		183,356	180,182
Telecommunications		120,589	109,881
Project, Event and Promotional Expenses	12,19	870,671	754,252
Cost of Brochures and Saleable items		16,796	32,135
Data Processing Expenses		97,665	87,599
Debt Collection /(Recovery)		7,075	(12,609)
Fringe Benefits Tax		11,748	17,222
Finance Costs/Bank Charges		13,066	8,556
Staff Recruitment & Training		20,858	30,787
Insurance		32,268	26,750
Business Subscriptions & Information Services		47,962	52,788
Postage Freight & Couriers		57,133	57,998
Printing & Stationery		76,725	70,383
Newsletter and Magazine Expenses		52,826	57,390
Repairs & Maintenance - Equipment		672	2,797
Council Election Expenses		9,866	0
Sundry expenses		9,044	9,428
		<u>5,380,813</u>	<u>7,448,679</u>
<b>OPERATING SURPLUS</b>		<u>630,190</u>	<u>3,044,585</u>

To be read in conjunction with the attached notes

## AUSTRALIAN MEAT INDUSTRY COUNCIL

### STATEMENT OF CASH FLOWS Year Ended 30 June 2008

	2008	2007
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Membership Subscriptions	2,380,803	2,472,411
Interest Received	982,256	911,169
Other Income	2,373,054	2,056,396
Wages Paid	(2,552,592)	(2,418,895)
Other Payments	(2,392,741)	(2,677,736)
<b>Net Cash Flows From Operating Activities</b>	<u>790,778</u>	<u>343,345</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Non-Current Assets	(3,475,878)	(136,905)
Cash on Deposit for more than two months	7,166,352	(4,398,657)
Proceeds from sale of Non-Current Assets	13,364	5,009,273
<b>Net Cash Flows from Investing Activities</b>	<u>3,703,838</u>	<u>473,711</u>
<b>Net Cash Increase / (Decrease) in Cash Held</b>	4,494,616	817,056
<b>Balance of Cash at Beginning of Year</b>	1,442,075	625,019
<b>Balance of Cash at End of Period</b>	<u>5,936,691</u>	<u>1,442,075</u>

#### NOTES TO THE STATEMENT OF CASH FLOW

	2008	2007
	\$	\$
<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	2,745
Cash at Bank and on short term deposit (less than 2 months)	5,933,950	1,439,330
	<u>5,936,695</u>	<u>1,442,075</u>
<b>Reconciliation of Net Cash provided by Operating Activities to Operating Deficit</b>		
Operating Surplus (Deficit)	630,190	3,044,585
Depreciation	148,786	92,973
(Profit)/Loss on Sale of Non-Current Assets	(11,767)	(2,620,938)
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Prepayments/Advance Project Costs	55,225	(176,609)
(Increase)/Decrease on Accounts Receivable	(249,171)	(46,423)
(Increase)/Decrease in Inventory	(5,977)	2,249
Increase/(Decrease) in Accounts Payable	199,325	(42,226)
Increase/(Decrease) in Provisions	24,173	89,733
<b>Net cash provided by operating activities</b>	<u>790,781</u>	<u>343,344</u>

**THE AUSTRALIAN MEAT INDUSTRY COUNCIL 65 990 653 488**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**Note 1 Statement of Significant Accounting Policies**

The financial statements of the Australian Meat Industry Council for the year ended 30 June 2008 were authorised for issue by the Committee of Management on 15 September 2008.

This financial report is a general purpose financial report and has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Industrial Registrar's reporting guidelines under s255 of Schedule 1 of the Workplace Relations Act 1996.

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

The financial report of the Australian Meat Industry Council complies with all International Financial Reporting Standards (IFRS)

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.

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

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.

**Accounting Policies**

**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 and impairment losses

**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 less depreciation and impairment losses.

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 generally depreciated on a straight line basis over their useful lives to the entity 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. Impairment of Assets**

At each reporting date, the Council reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**e. Employee Entitlements**

Provision is made for the Council'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. It is considered that the nominal value of annual and long service leave entitlements is not materially different from the estimate determined by using the present value basis of measurement. Long Service Leave is accrued when a legal liability arises and sick leave is expensed as paid.

Contributions are made by the Council to employee superannuation funds and are charged as an expense when incurred.

**f. Cash**

For the purposes of the statement of cash flows, cash includes cash in hand and in 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.

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

All revenue is stated net of the amount of goods and services tax (GST), where appropriate.

**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 the item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**i. Comparative figures**

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

**j. Critical accounting estimates and judgements**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation.

*Key estimates - Impairment*

The Council assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**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 sub-sections (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	2008	2007
		\$	\$
Trade debtors		194,461	40,635
Amounts receivable from members		29,244	41,386
Bank Interest Receivable, including Bills not yet matured		43,156	28,874
Industry Consultation Funding receivable from Red Meat Advisory Council Ltd		500,282	407,502
Other Debtors & Cash Advances		6,139	2,668
Less: Provision for doubtful debts		(3,035)	-
		<u>770,247</u>	<u>521,076</u>

**Note 4 Inventories**

	2008	2007
	\$	\$
CURRENT		
At cost		
Finished goods	12,665	6,688
	<u>12,665</u>	<u>6,688</u>

**Note 5 Other Assets**

	2008	2007
	\$	\$
Prepayments	28,051	54,290
Advance project costs	240,180	269,166
	<u>268,231</u>	<u>323,456</u>

**Note 6 Property, Plant and Equipment**

	2008	2007
	\$	\$
Land and Buildings		
Freehold land and buildings at:		
— cost	-	-
Strata title properties at:		
— cost	2,935,273	192,479
Less accumulated depreciation	-	-
	<u>2,935,273</u>	<u>192,479</u>
Total Land and Buildings	2,935,273	192,479
Furniture & Fittings	905,132	348,010
Less accumulated depreciation	(345,107)	(314,195)
	<u>560,025</u>	<u>33,815</u>
Office Equipment	1,409,928	1,289,911
Less accumulated depreciation	(1,171,198)	(1,086,031)
	<u>238,730</u>	<u>203,880</u>
Motor Vehicles	144,542	167,901
Less accumulated depreciation	(58,424)	(108,504)
	<u>86,118</u>	<u>59,396</u>
Total Other Non-Current Assets	<u>884,872</u>	<u>297,092</u>
Total Property and Other Non-Current Assets	<u>3,820,145</u>	<u>489,570</u>

**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:

	Land & Buildings	Furniture & Fittings	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	192,479	33,815	203,880	59,396	489,571
Additions	2,742,794	557,985	120,199	54,900	3,475,878
Disposals	-	-	-	(1,597)	(1,597)
Depreciation expense	-	(31,776)	(85,349)	(26,582)	(143,707)
Carrying amount at the end of year	<u>2,935,273</u>	<u>560,024</u>	<u>238,730</u>	<u>86,117</u>	<u>3,820,145</u>

**Note 7 Investment Property**

	2008	2007
Land and Buildings	\$	\$
Strata title properties at:		
-- cost	851,219	851,219
Total Land and Buildings	<u>851,219</u>	<u>851,219</u>
Furniture & Fittings	56,619	56,619
Less accumulated depreciation	<u>(50,774)</u>	<u>(45,695)</u>
	5,845	10,924
Total Investment Property	857,064	862,143

**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:

	Land & Buildings	Furniture & Fittings	Total
	\$	\$	\$
Balance at the beginning of year	851,219	10,924	862,143
Depreciation expense	-	(5,079)	(5,079)
Carrying amount at the end of year	<u>851,219</u>	<u>5,845</u>	<u>857,064</u>

**Note 8 Retained Surpluses**

	2008	2007
	\$	\$
Retained surpluses at the beginning of the financial year	15,509,975	12,465,389
Net operating surplus/(deficit) for the year	<u>630,190</u>	<u>3,044,586</u>
Retained surpluses at the end of the financial year	<u>16,140,165</u>	<u>15,509,975</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:

Level 2 460 Pacific Highway St Leonards NSW 2065

Offices are also maintained at:

14 Queens Road, Melbourne, Vic 3004 - Pennington Place, 70 Prospect Terrace, Kelvin Grove, Qld 4059

100 Greenhill Road, Unley, SA 5061 - 1862 Albany Highway, Maddington, WA 6109 - 343 Elizabeth Street, Hobart, Tas 7000

The principal activity of the Council is an industry association.

**Note 11 Other Income**

	2008	2007
	\$	\$
Advertising	39,562	50,632
Members Saleable Items and Services	65,830	67,311
Bad Debts Recovered	4,683	4,883
Sundry Income	<u>2,348</u>	<u>2,047</u>
	<u>112,423</u>	<u>124,873</u>

**Note 12 Consultants & Professional Fees**

	2008	2007
	\$	\$
Legal Expenses - Industrial Relations Advice and Services to members	28,400	26,467
Legal Expenses - Miscellaneous	329	2,121
Legal Expenses - Pork importation issue (refund)	0	(4,302)
Legal Expenses - Sale of property	0	13,546
Valuations re property sale	0	7,000
Food Safety Audits	312,844	293,703
Other Consultants and Contractors	13,596	56,433
	<u>355,169</u>	<u>394,968</u>
Legal Fees included in Project, Event and Promotional Expenses	<u>5,463</u>	<u>135,278</u>

**Note 13 Meetings and Conference Expenses**

	2008	2007
	\$	\$
Councillor Attendance Allowances	81,514	63,600
Councillor Travel Costs to attend meetings	99,909	114,721
Councillor Overseas Travel	6,912	-
Meeting Expenses	85,417	56,996
	<u>273,752</u>	<u>301,996</u>

**Note 14 Employee Entitlements**

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

	2008	2007
	\$	\$
Employee Benefits (Superannuation) - Directors	-	454
Employee Benefits - Staff	465,055	447,119
	<u>465,055</u>	<u>447,573</u>

**Note 15 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 16 Payroll tax payable/provided**

Payroll Tax payable/provided includes a provision of \$150,245 made in prior years against the possibility of additional Payroll Tax being retrospectively assessed.

## 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 Income Statement.

Fund	Balance 30/6/07	Received during year	Expensed during year	Balance 30/6/08
Qld Meatworks Association	11,759			11,759
Q Promotions *	176,918			176,918
Vic Processors Fighting Fund	9,723			9,723
CAPAA Engineers Fund	43,864	2,815		46,679
Total	<u>242,264</u>	<u>2,815</u>	<u>0</u>	<u>245,079</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 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.

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 (and placed on interest bearing deposit) 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 Sundry Creditors, Accruals & Provisions

	2008	2007
	\$	\$
General Creditors and Accruals	288,815	261,747
Provision - Promotion and other projects	121,096	169,460
Provision - website enhancement	15,000	10,000
Property Maintenance Sinking Fund Provisions	205,000	120,000
Relocation provision	-	72,000
FBT Accrual	10,508	32,620
Provision Workers Compensation Premiums/(Refund due)	4,066	1,893
Payroll related clearing accounts, principally PAYG	<u>40,246</u>	<u>31,773</u>
	<u>684,732</u>	<u>699,493</u>

## Note 19 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.

## 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	
	2008	2007	2008	2007
			\$	\$
Cash at bank	6.75%	5.75%	153,259	62,568
At Call and short term deposits	7.63%	6.41%	12,232,259	5,553,827
Bank Bills maturing within 3 months		6.30%	-	9,440,856
Total Financial Assets			<u>12,385,518</u>	<u>15,057,251</u>

## Note 21 Office Premises Leases

The Council leases premises as under:

14 Queens Road, Melbourne, Vic until 31 July 2009, at 30 June 2008 at \$36,851 pa (excl GST), with reviews of 4% each 1 August.

1862 Albany Highway, Maddington, WA until 1 April 2011, at 30 June 2008 at \$15,328 (excl GST) pa with reviews to CPI or 3%, whichever is the greater each 1 April.

100 Greenhill Road, Unley SA 5061, at 30 June 2008 at \$11,721 (excl GST) pa on a month-to-month tenancy.

## AUSTRALIAN MEAT INDUSTRY COUNCIL

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### STATEMENT OF THE COMMITTEE OF MANAGEMENT

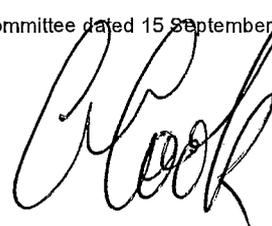
In accordance with a resolution of the Committee of Management we declare that in the opinion of the Committee:

- (a) the accompanying financial statements, notes and cash flows comply with Accounting Standards 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 15 September 2008:-



Terry Nolan



Craig Cook

At Sydney, New South Wales this 15 September 2008.

**Australian Meat Industry Council**  
**Independent Auditor's Report to the Members**

**Report on the financial report**

We have audited the accompanying financial report of Australian Meat Industry Council which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

*Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report and are appropriate to meet the requirements of the Workplace Relations Act 1996 Schedule 1B, chapter 8, section 253 and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

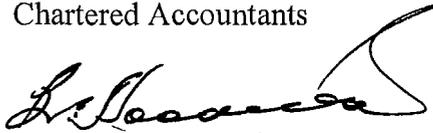
In conducting our audit, we have complied with the Independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Australian Meat Industry Council on 23 September, 2008 would be in the same terms if provided to the directors as at the date of the auditor's report.

### *Auditor's opinion*

In our opinion the financial report of Australian Meat Industry Council is in accordance with the Workplace Relations Act 1996 Schedule 1B, chapter 8, section 253, including

- a. giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Workplace Relations Act 1996 Schedule 1B, chapter 8.

B.P. Woodward & Associates  
Chartered Accountants



B.P. Woodward  
Registered Company Auditor  
SYDNEY

Dated this Twenty-third day of September, 2008