



FULL FINANCIAL STATEMENTS

September 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2022

	Note	Group Year Ended 2022			Group Year Ended 2021		
		Total	Levy Stream	Non Levy Stream	Total	Levy Stream	Non Levy Stream
In thousands of New Zealand dollars							
Non Exchange Revenue							
Levies Received	4	30,252	30,252	-	30,419	30,419	-
Biosecurity Levies Received	4	2,997	2,997	-	3,060	3,060	-
Other Non Exchange Income	4	4,224	4,224	-	4,155	4,155	-
Exchange Revenue							
Other income	4	4,140	4,140	-	4,502	4,502	-
Total Income		41,613	41,613	-	42,136	42,136	-
Operating expenses	6	(41,308)	(41,308)	-	(41,087)	(40,664)	(423)
Net operating surplus/ (deficit) from operating activities		305	305	-	1,049	1,472	(423)
Net finance income / (expense)	5	(561)	(561)	-	117	117	-
Net operating surplus/ (deficit) for the year before income tax		(256)	(256)	-	1,166	1,589	(423)
Income tax expense	7	(27)	(27)	-	-	-	-
Net operating surplus/ (deficit) for the year		(283)	(283)	-	1,166	1,589	(423)
<i>Other comprehensive income</i>		-	-	-	-	-	-
Total comprehensive income for the year		(283)	(283)	-	1,166	1,589	(423)
Attributable to:							
Levy payers	14	(283)	(283)	-	1,589	1,589	-
Special Reserves		-	-	-	(423)	-	(423)
		(283)	(283)	-	1,166	1,589	(423)

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 25.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2022

Parent
Year Ended 2022

In thousands of New Zealand dollars	Note	Beef	Sheepmeat	Total Levy Stream	Non Levy Stream	Total
Non Exchange Revenue						
Levies Received	4	14,076	16,174	30,251	-	30,251
Biosecurity Levies Received	4	2,997	-	2,997	-	2,997
Other Non Exchange Income	4	2,594	1,631	4,224	-	4,224
Exchange Revenue						
Other income	4	1,592	1,719	3,312	-	3,312
Total Income		21,259	19,524	40,784	-	40,784
Operating expenses	6	(20,309)	(20,025)	(40,335)	-	(40,335)
Net operating surplus/ (deficit) from operating activities		950	(501)	449	-	449
Net finance expense	5	(272)	(291)	(563)	-	(563)
Net operating surplus/ (deficit) for the year before income tax		678	(792)	(114)	-	(114)
Income tax expense	7	(14)	(14)	(27)	-	(27)
Net operating surplus/ (deficit) for the year		664	(806)	(141)	-	(141)
<i>Other comprehensive income</i>		-	-	-	-	-
Total comprehensive income for the year		664	(806)	(141)	-	(141)
Attributable to:						
Levy payers	14	664	(806)	(141)	-	(141)
		664	(806)	(141)	-	(141)
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising:				(142)		
B+LNZ Investments Ltd				42		
Pastoral Genomics Ltd				5		
B+LNZ Emissions Company Ltd				(189)		
Group Net operating surplus/ (deficit) for the year- Levy Stream				(283)		

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 25.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2021

	Note	Parent Year Ended 2021				Total
		Beef	Sheepmeat	Total Levy Stream	Non Levy Stream	
In thousands of New Zealand dollars						
Non Exchange Revenue						
Levies Received	4	14,818	15,600	30,419	-	30,419
Biosecurity Levies Received	4	3,060	-	3,060	-	3,060
Other Non Exchange Income	4	1,833	1,991	3,823	-	3,823
Exchange Revenue						
Other income	4	1,829	2,144	3,974	-	3,974
Total Income		21,540	19,735	41,276	-	41,276
Operating expenses	6	(20,226)	(18,997)	(39,224)	(423)	(39,647)
Net operating surplus/ (deficit) from operating activities		1,314	738	2,052	(423)	1,629
Net finance income	5	48	68	116	-	116
Impairment of Investment in Subsidiary Companies	13	(109)	(157)	(266)	-	(266)
Net operating surplus/ (deficit) for the year before income tax		1,253	649	1,902	(423)	1,479
Income tax expense	7	-	-	-	-	-
Net operating surplus/ (deficit) for the year		1,253	649	1,902	(423)	1,479
<i>Other comprehensive income</i>		-	-	-	-	-
Total comprehensive income for the year		1,253	649	1,902	(423)	1,479
Attributable to:						
Levy payers	14	1,253	649	1,902	-	1,902
Special Reserves		-	-	-	(423)	(423)
		1,253	649	1,902	(423)	1,479
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising:						
B+LNZ Investments Ltd				(9)		
Pastoral Genomics Ltd				(96)		
B+LNZ Emissions Company Ltd				(208)		
Group Net operating surplus/ (deficit) for the year- Levy Stream				1,589		

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 25.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2022

In thousands of New Zealand dollars	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
Balance at 1 October 2021	24,755	24,755	24,526	24,526
Total comprehensive revenue and expense				
Surplus/(Deficit) for the year	(283)	(283)	(141)	(141)
Total comprehensive income for the year	(283)	(283)	(141)	(141)
Balance at 30 September 2022	24,472	24,472	24,385	24,385

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

In thousands of New Zealand dollars	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
Balance at 1 October 2020	23,589	23,589	23,047	23,047
Total comprehensive revenue and expense				
Surplus/(Deficit) for the year	1,166	1,166	1,479	1,479
Total comprehensive income for the year	1,166	1,166	1,479	1,479
Balance at 30 September 2021	24,755	24,755	24,526	24,526

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 25.

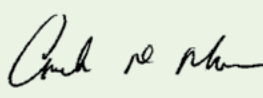
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

In thousands of New Zealand dollars	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
EQUITY EMPLOYED					
Retained earnings	14	24,472	24,755	24,385	24,526
TOTAL EQUITY EMPLOYED		24,472	24,755	24,385	24,526
Represented by:					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		4,256	8,378	4,089	8,050
Trade and other exchange receivables	8	783	809	740	780
Non-exchange Receivables	8	3,095	2,708	3,094	2,707
Term Deposits	9	7,500	16,510	7,500	16,510
Jarden - Managed Investment Portfolio	10	628	-	628	-
Derivative financial instruments	11	115	32	115	32
Livestock on Hand		-	642	-	-
Assets held for sale	12	929	-	-	-
Advance to Subsidiary Company		-	-	761	450
TOTAL CURRENT ASSETS		17,306	29,079	16,927	28,529
NON-CURRENT ASSETS					
Property, plant & equipment		422	686	422	532
Intangible assets		77	259	77	259
Jarden - Managed Investment Portfolio	10	11,613	-	11,613	-
Investments in subsidiary companies	13	-	-	255	255
Term receivables- Exchange		24	46	24	46
TOTAL NON-CURRENT ASSETS		12,136	991	12,391	1,092
TOTAL ASSETS		29,442	30,070	29,318	29,621
CURRENT LIABILITIES					
Trade and other payables		3,865	4,058	3,857	3,838
Income in Advance		299	382	299	382
Derivative financial instruments	11	3	19	3	19
Deferred Revenue		-	86	-	86
Liabilities held for sale	12	29	-	-	-
Employee entitlements		753	707	753	707
TOTAL CURRENT LIABILITIES		4,949	5,252	4,912	5,032
NON CURRENT LIABILITIES					
Lease Liabilities		21	63	21	63
TOTAL NON-CURRENT LIABILITIES		21	63	21	63
TOTAL LIABILITIES		4,970	5,315	4,933	5,095
NET ASSETS		24,472	24,755	24,385	24,526

The Board of Directors authorised these financial statements for issue on 7 December 2022.

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 25.



A Morrison
Chairman



M Coup
Chairman Audit & Risk Committee

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2022

In thousands of New Zealand dollars	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
OPERATING ACTIVITIES					
Cash was received from:					
Levy receipts		33,212	33,397	33,212	33,397
Receipts from customers including rental income		3,954	5,410	3,245	4,827
Government Grants		3,136	3,389	3,136	3,058
Interest received		235	321	234	320
Grant funding from New Zealand Meat Board		680	1,416	680	1,416
Foreign currency translation adjustment		-	10	-	10
Net GST Received/ (Paid)		-	7	-	12
Realised Gain on matured Foreign Exchange Contracts		90	-	90	-
		41,307	43,950	40,597	43,040
Cash was applied to:					
Payments to suppliers and employees		41,325	39,496	40,139	37,103
Payments to Consortia		-	-	-	800
Payments to Industry Partner/Participant		-	1,199	-	1,199
Foreign currency translation adjustment		13	-	13	-
Net GST Paid		-	-	4	-
Realised Loss on matured Foreign Exchange Contracts		-	143	-	143
		41,338	40,838	40,156	39,245
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	(31)	3,112	441	3,795
INVESTING ACTIVITIES					
Cash was received from:					
Maturity of investments		20,510	24,071	20,510	24,071
Loan North Canterbury Future Farm		-	-	202	60
Dividend Received		245	-	245	-
		20,755	24,071	20,957	24,131
Cash was applied to:					
Purchase of property, plant & equipment		100	248	100	248
Purchase of intangible assets		2	109	2	109
Purchase of NCFI Investment		-	-	-	130
Loan North Canterbury Future Farm		-	-	513	-
Purchase of investments		11,500	25,514	11,500	25,514
Purchase of Managed Fund		13,244	-	13,244	-
		24,846	25,871	25,359	26,001
NET CASH FLOWS FROM/ (TO) INVESTING ACTIVITIES		(4,091)	(1,800)	(4,402)	(1,870)
FINANCING ACTIVITIES					
Cash was received from:					
Cash was applied to:					
NET CASH FLOWS USED IN FINANCING ACTIVITIES		-	-	-	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(4,122)	1,312	(3,961)	1,925
Add: Opening cash and cash equivalents		8,378	7,066	8,050	6,125
CLOSING CASH AND CASH EQUIVALENTS		4,256	8,378	4,089	8,050
CASH AND CASH EQUIVALENTS COMPRISE					
Cash at Bank		3,694	4,586	3,527	4,258
Short Term Deposits		562	3,792	562	3,792
		4,256	8,378	4,089	8,050

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 25.

NOTES TO THE FINANCIAL STATEMENTS

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1. Reporting Entity

The financial statements are for Beef + Lamb New Zealand Limited (the Parent), as a separate entity and the consolidated financial statements are for the Beef + Lamb New Zealand Limited Group (the Group), which includes all its subsidiaries and associated entities as disclosed in note 13.

The Parent and the Group are designated as public benefit entities for financial reporting purposes.

Beef + Lamb New Zealand Limited is a company incorporated in New Zealand, with its registered office in Wellington. The Group operates in the red meat industry in New Zealand.

2. Basis of Preparation

(a) Statutory base

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013, the Companies Act 1993, and the Commodity Levies Act 1990.

(b) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the PBE Accounting Standards as appropriate for Tier 1 not-for profit public benefit entities.

(c) Basis of measurement

The accounting policies set out in the relevant notes to the financial statements have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on an historical cost basis. Accrual accounting is used in the recognition of expenses and revenues. The accounting policies have been applied consistently by the Group entities. Certain comparative information has been updated to conform with the current year presentation.

(d) Going concern

These statements have been prepared on a going concern basis. The Commodities Levies (Meat) Order 2021 was made by Order in Council in October 2021. This order came into force on 7 December 2021 and expires no later than 6 December 2027.

(e) Critical accounting estimates

The preparation of financial statements in conformity with PBE Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 11 Investments in Subsidiaries, associates and joint ventures.

(f) Foreign currency

(i) Functional and presentation currency

The consolidated and Parent financial statements are presented in New Zealand dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(g) GST

The financial statements are prepared exclusive of GST with the exception of receivables and payables, which are stated inclusive of GST.

(h) Expenditure of an intangible nature

The financial statements are prepared exclusive of GST with the exception of receivables and payables, which are stated inclusive of GST.

Intellectual property

Intellectual property includes patent costs, trade secrets, brands (Taste Pure Nature) and scientific knowledge acquired. All costs are expensed, unless there is sufficient certainty that the intellectual property will directly generate sufficient income flows for the Group to support the carrying value.

Software

Internally generated software and purchased software that is not integral to the operating system of hardware, is capitalised as an intangible asset, subject to it generating service potential to the entity. Software is measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation of intellectual property and software is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets, from the date they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Software 2.5 years

(i) Livestock

Livestock includes sheep and cattle held on the North Canterbury Future Farm Limited subsidiary and is valued using the 2022 herd scheme values as a proxy for the market value of the livestock.

3. Levy and Non-Levy Stream Performance

The Statement of Comprehensive Revenue and Expense for Beef + Lamb New Zealand Ltd has been prepared by individual levy stream (beef and sheepmeat). This provides more specific detail than is required by the Commodity Levies Act 1990 and the constitution, which require, as a minimum, a summary of activities of the meat levy streams.

Non- Levy Stream expenditure is financed from Special Reserves.

The special reserve comprises funds originating from Non-Levy sources, primarily the gain on sale of an associated company shareholding in March 2008. During 2019-2021 this expenditure was to provide research grants to the Red Meat Profit Partnership (RMPP). The special reserve was fully utilised in the 2021 financial year.

4. Revenue and Other Income

Revenue Recognition

Revenue comprises the fair value for the sale of goods and services, excluding goods and services tax (GST), rebates and discounts. Revenue is recognised as follows:

Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

(i) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

(i) Levy income

Levy income is recognised at time of slaughter for beef and sheep meat.

(ii) Research Service Revenue from Government

The recognition of non-exchange revenue from grants depends on whether the grant comes with any stipulations imposed on the use of a transferred asset. Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not used in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

The Group receives research revenue from the Ministry of Business Innovation and Employment (MBIE). The contract services agreement provides for a fixed income amount per annum from each partner and from MBIE in line with research expenditure. The income is billed and recognised by the Group as mutually agreed with partners and MBIE, to meet the Group's funding commitments including those required to satisfy expenditure obligations with outsourced research service providers.

Depending on the stipulations of each grant the Group may or may not have to return unspent funds. If there are conditions attached, revenue in relation to that particular grant is not recognised until the conditions have been fulfilled. For grants with restrictions, the revenue is recognised when it is received by the Group.

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in income on a systematic basis in the same periods in which the expenses are recognised.

5. Finance Income and Expense

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in the Consolidated Statement of Comprehensive Revenue and Expense. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except for trade receivables), losses on the disposal of available-for-sale financial assets, and losses on hedging instruments that are recognised in profit or loss.

In thousands of New Zealand dollars	Group 2022	Group 2021	Parent 2022	Parent 2021
Interest income on term deposits	204	211	204	211
Interest income on cash and cash equivalents	59	36	57	35
Foreign exchange gain/ (loss) on derivatives	176	(130)	176	(130)
Gain/(loss) on investments - Jarden managed investment fund (refer to note 10)	(1,000)	-	(1,000)	-
Net finance income	(561)	117	(561)	116

6. Other Operating Expenses

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Comprehensive Revenue and Expenditure when incurred.

Intellectual property spend in the period includes the development of the Taste Pure Nature brand of \$49,768 (2021: \$30,580)

The following items of expenditure are included in operating expenses:

In thousands of New Zealand dollars	Group 2022	Group 2021	Parent 2022	Parent 2021
<i>Audit fees</i>				
Auditor's remuneration to KPMG comprises:				
Audit of financial statements	59	60	58	55
Total auditor's remuneration	59	60	58	55
Depreciation	236	219	210	198
Software amortisation	174	225	174	225
Rental expense relating to operating leases	731	702	731	702
Directors fees	400	377	398	365
Employee benefits	12,215	11,574	12,215	11,574
Other operating expenditure	7,802	7,718	7,043	6,903
Research and development expenditure	6,978	6,418	6,793	5,831
Other project expenditure	9,716	10,734	9,716	10,734
Biosecurity levy paid	2,997	3,060	2,997	3,060
Total operating expenses	41,308	41,087	40,335	39,647

7. Income Tax Expense

In accordance with section 85 of the Meat Board Act 2004, the New Zealand Meat Board and Beef + Lamb New Zealand Limited and its subsidiaries form a consolidated tax group for income tax purposes.

Unrecognised tax losses of \$71.8 million (2021: \$68.6 million) are available to the consolidated tax group (which includes the New Zealand Meat Board and Beef + Lamb New Zealand Limited), subject to assessment of the current year losses by the Inland Revenue Department. Deferred tax assets are not recognised as it is not likely they will be realised.

Taxation has been deducted at source for foreign currency investments and \$27,000 will not be refundable even though the company has losses available.

8. Receivables

Trade receivables are recognised at the receivable amount less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. When it is considered doubtful that debtors will pay the amounts due, a provision for doubtful debts is recognised.

In thousands of New Zealand dollars	Group 2022	Group 2021	Parent 2022	Parent 2021
Exchange Transactions				
Other Trade Receivables	409	424	366	395
Prepayments	309	347	309	347
Accrued interest	65	38	65	38
	783	809	740	780

In thousands of New Zealand dollars	Group 2022	Group 2021	Parent 2022	Parent 2021
Non Exchange Transactions				
Levies Receivable	2,361	1,938	2,361	1,938
Other Trade Receivables	124	570	123	569
Government Grants Receivable	190	-	190	-
NZMB Grant Funding Receivable	420	200	420	200
	3,095	2,708	3,094	2,707

9. Term Deposits

Term Deposits are classified as held to maturity because the Group has the intention to hold them to maturity.

In thousands of New Zealand dollars	Group 2022	Group 2021	Parent 2022	Parent 2021
Current Investments	7,500	16,150	7,500	16,150

10. Jarden Investments

Jarden – Managed Investment Portfolio

The Board has an Investment Policy Statement (IPS) which sets out the philosophies, strategies, investment procedures and investment practices that the Investment Manager (Jarden) will follow when managing the portfolio.

It also serves as a framework that B+LNZ and the Investment Manager can use when discussing the operational aspects of portfolio management.

The IPS will be reviewed annually.

Objectives

The Board's primary objective is to preserve and grow the real value of the portfolio to achieve returns in excess of those available from bank term deposits.

Additional objectives are:

- to maintain an appropriate level of liquidity so that funds are available every 6 years should the referendum result in the dissolution of B+LNZ.
- to maintain a reasonable level of capital stability within the investment portfolio.
- to provide income to meet operational requirements.

Investment Beliefs

The IPS is deliberately not prescriptive to allow Jarden to operate as a Discretionary Fund Manager with the parameters set out in the IPS.

The IPS's asset classes exclude International fixed interest. The rationale behind excluding global fixed interest is that it has longer duration and is more exposed to rising global interest rates. It should also make portfolio implementation more efficient which is a valid consideration given B+LNZ's lower funds under management. This does increase single country risk, i.e. NZ, however this is consistent with existing investment policies.

International investments are unhedged.

The board is prepared to take a medium level of risk and has a potential 6-year time horizon and therefore a 'balanced' approach is required using a Strategic Asset Allocation (SAA) approach.

The Investment Manager will maintain asset class weightings within the minimum and maximum limits outlined in the SAA ranges.

Investment Manager

The Board appointed Jarden as its Investment Fund Manager in November 2021.

Jarden Managed Investment Portfolio	2022
In thousands of New Zealand dollars	
Opening Portfolio Value	
Capital Contributed	13,001
Capital Changes to Investments	
Realised Capital Gain / (loss)	(14)
Unrealised Gain / (loss)	(986)
Accrued Interest	40
Income	
Interest	90
Dividends	154
Less Costs	
Tax	(27)
Management Fees	(17)
Total Costs	(44)
Net Income	200
Net Gain/ (loss) for the year	(759)
Closing Portfolio Value	12,241
Gross Portfolio return for period	-6.66%
Net Portfolio Return after fees and taxes p.a	-6.90%
Expected return (after fees, tax and inflation)	3.30%

Jarden Managed Investment Portfolio Asset Allocation	2022
In thousands of New Zealand dollars	
Current Investments	
NZ Cash and Cash Equivalents	237
NZ Fixed Interest	391
Total Current	628
Non Current Investments	
NZ Fixed Interest	4,424
NZ Property	652
NZ Equities	1,955
Australian Equities	1,149
Global Fixed Interest	-
Global Equities	3,433
Total Non Current	11,613
Closing Portfolio Value	12,241

Cash and Cash equivalents comprises cash and call balances and term deposits with an original maturity of three months or less.

Current Fixed Interest comprises fixed interest investments with an original maturity greater than three months and less than one year. Non-Current Investments comprises of investments with a maturity greater than one year.

11. Financial Instruments

Classification and fair values

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, term receivables and other investments, and trade and other payables.

(ii) Derivative financial instruments

Changes in the fair value of any derivative instruments are recognised immediately in the statement of comprehensive revenue and expense.

Fair Value Hierarchy

Level 1: fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Beef + Lamb's financial assets and liabilities that are measured at fair value by the significance of inputs used in making the measurement are categorised as level 2, as prescribed by IPSAS 30.

Interest rates used for determining fair value

The Group uses market interest rates based on the readily available market index interest rates for bank debt.

Quantitative disclosures

Foreign currency risk

Nature of the risk

Currency risk is the risk that eventual New Zealand dollar net cashflows from transactions undertaken by the Group will be adversely affected by changes in foreign currency exchange rates.

Exposure and risk management

Currency risk from operational expenditure in foreign currencies (and related trade payables) has been substantially hedged by entering into forward exchange contracts which typically have a twelve month term.

Management is responsible for managing exposures in each foreign currency in accordance with the company's Treasury Policy approved by the Board of Directors. This sets minimum and maximum hedging exposures for each currency within defined time frames.

The investment portfolio is managed by Jarden directed by the Investment Policy Statement.

Credit risk

Nature of the risk

Credit risk arises in the normal course of the Group's business on cash, receivables and derivative financial instruments if a counterparty fails to meet its contractual obligations.

Exposure and risk management

The Group is exposed to credit risk if customers and counterparties fail to make payments in respect of:

- Payment of trade and other receivables as they fall due; and
- Contractual cash flows of derivative assets held at fair value.

The carrying amount of financial assets represents the Group's maximum credit exposure.

Beef + Lamb New Zealand Limited also holds investments with various banks and part of the portfolio is managed by Jarden directed by the Investment Policy Statement. On call or term deposits with registered New Zealand banks have a Standard & Poor's credit rating of AA- or higher as at 30 September 2022.

(i) Investments - NZ Fixed Interest

The investment strategy for this asset class is to own a direct portfolio of bonds in order to diversify and manage interest rate risk. The weighted average maturity date of the fixed interest portfolio should be no longer than 5 years and the duration of the fixed interest portfolio must be +/- 25% of the benchmark for this asset class. Creditworthiness counterparties (other than government) are selected on the basis of their current Standard & Poor's rating, which must be the Investment Grade (BBB or better). Credit risk is further minimised by placing maximum issuer and portfolio limits.

Interest Rate and Liquidity risk

Nature of the risk

The portfolio investments shall be invested by the Investment Manager in liquid securities, defined as securities that can be transacted quickly and efficiently with minimal impact on the market price.

Investments have been categorised as non-current for fixed interest maturity dates that are beyond twelve months and equity and managed fund investments. All non-current investments are in investments that have a ready market to liquidate if required. Liquidity risk represents the Group's ability to meet its contractual obligations as they fall due. Exposure and risk management.

Exposure and risk management

The Group uses cash and reserves to manage liquidity and evaluates its liquidity requirements on an ongoing basis. The Group generates sufficient cash flows from its operating activities to meet its financial liabilities. Positive operating cash flows and reserves enable working capital to be managed to meet short-term liabilities as they fall due.

In thousands of New Zealand dollars	Group & Parent			
	Balance sheet	Contractual cash flows	6 months or less	6-12 months
2022				
Forward exchange contracts				
Inflow	115	1,862	690	1,172
Outflow	(3)	(1,750)	(630)	(1,120)
2021				
Forward exchange contracts				
Inflow	32	2,343	1,226	1,117
Outflow	(19)	(2,330)	(1,225)	(1,105)

Market risk

(i) Foreign exchange risk

The foreign currency denominated investments in the investment fund managed by Jarden is unhedged, with the rationale being the objective of achieving an optimal level of diversification and history shows that the NZD is somewhat negatively correlated with “risk on” events (foreign market pricing moves adversely which is offset by NZD depreciation).

(ii) Equity market risk

Equity market risk of \$6.537 million is held in equity securities which is subject to market movement. The portfolio includes domestic, global and Australian equities. The Board does not hedge to minimise market risk invested in equities and managed funds.

Quantitative disclosures

(i) Foreign currency exchange risk

The Board's exposure to foreign currency risk is as follows based on notional amounts:

Quantitative disclosures					
In thousands of New Zealand dollars	EURO	USD	GBP	YEN	AUD
2022					
Jarden - Managed Investment Portfolio	-	3,433	-	-	1,149
Gross balance sheet exposure and net exposure	-	3,433	-	-	1,149

Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in debt securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted exit price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

(ii) Equity investments

The Jarden Managed Investment Portfolio has been designated as fair value through surplus or deficit as it is managed on a fair value basis and its performance is actively monitored.

This is reported in the unrealised gains and losses.

As at 30 September 2022

In thousands of New Zealand dollars	Other Financial Liabilities	Designated at Fair Value	Held to Maturity	Loans and receivables	Available for Sale	Total carrying amount	Fair Value
ASSETS							
Cash and cash equivalents	-	-	-	4,256	-	4,256	4,256
Trade and other receivables	-	-	-	3,878	-	3,878	3,878
Term Deposits	-	-	7,500	-	-	7,500	7,500
Derivative financial instruments	115	-	-	-	-	115	115
Jarden - Managed Investment Portfolio	-	628	-	-	-	628	628
Assets held for sale	-	-	-	-	929	929	929
TOTAL CURRENT ASSETS	115	628	7,500	8,134	929	17,306	17,306
Jarden - Managed Investment Portfolio	-	11,613	-	-	-	11,613	11,613
Term receivables	-	-	-	24	-	24	24
TOTAL NON-CURRENT ASSETS	-	11,613	-	24	-	11,637	11,637
TOTAL ASSETS	115	12,241	7,500	8,158	929	28,943	28,943
LIABILITIES							
Trade and other payables	3,865	-	-	-	-	3,865	3,865
Derivative financial instruments	3	-	-	-	-	3	3
Liabilities held for sale	-	-	-	-	29	29	29
Employee Entitlements	753	-	-	-	-	753	753
TOTAL CURRENT LIABILITIES	4,621	-	-	-	29	4,650	4,650
TOTAL LIABILITIES	4,621	-	-	-	29	4,650	4,650

As at 30 September 2021

In thousands of New Zealand dollars	Other Financial Liabilities	Designated at Fair Value	Held to Maturity	Loans and receivables	Available for Sale	Total carrying amount	Fair Value
ASSETS							
Cash and cash equivalents	-	-	-	8,378	-	8,378	8,378
Term Deposits	-	-	16,510	-	-	16,510	16,510
Derivative financial instruments	32	-	-	-	-	32	32
Jarden - Managed Investment Portfolio	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	3,517	-	3,517	3,517
TOTAL CURRENT ASSETS	32	-	16,510	11,895	-	28,437	28,437
Investment in Subsidiary	-	-	-	-	-	-	-
Jarden - Managed Investment Portfolio	-	-	-	-	-	-	-
Term receivables	-	-	-	46	-	46	46
TOTAL NON-CURRENT ASSETS	-	-	-	46	-	46	46
TOTAL ASSETS	32	-	16,510	46	-	28,483	28,483
LIABILITIES							
Trade and other payables	4,058	-	-	-	-	4,058	4,058
Derivative financial instruments	19	-	-	-	-	19	19
Employee Entitlements	707	-	-	-	-	707	707
TOTAL CURRENT LIABILITIES	4,784	-	-	-	-	4,784	4,784
TOTAL LIABILITIES	4,784	-	-	-	-	4,784	4,784

Capital Management

The Group's capital comprises retained earnings. To the extent that Beef + Lamb New Zealand Limited's capital represents unutilised levy income, the Group is prohibited under the Commodity Levies Act 1990 from committing that capital to commercial or trading activities without ministerial consent. The Group is further committed to expending any such capital for a list of specified purposes set out in the Commodity Levies (Meat) Order 2021.

The Group is not subject to any externally imposed capital requirements. It is not the intention of Beef + Lamb New Zealand Limited to build up significant levy stream reserves that span several years. The Board has a policy of retaining a minimum of \$7 million of reserves in the event of an unsuccessful referendum to contribute to an orderly wind up of the Company. The 2021 Referendum offer projected operating deficits for the next two years.

A key principle is to maintain and enhance the value of the assets owned by Beef + Lamb New Zealand Limited and to manage Beef + Lamb New Zealand Limited's investments in a manner consistent with current governing legislation. Management aims to optimise returns from these investments within operating parameters designed to minimise credit, interest rate and liquidity risk.

There have been no material changes to the Group's management of capital over the reporting period.

12. Assets and Liabilities of group held for sale

The North Canterbury Future Farm Limited Partnership's lease concludes on 31 March 2023. The livestock and farm plant and machinery will be sold at market value which is expected to fully recover B+LNZ's investment.

At 30 September 2022 the North Canterbury Future Farm comprised the following assets and liabilities:

In thousands of New Zealand dollars	
Property, plant & equipment	135
Trade and other exchange receivables	23
Livestock on hand	771
Assets held for sale	929
Trade and other payables	29
Liabilities held for sale	29

13. Investments in Subsidiaries, Associates and Joint Ventures

Basis of consolidation

(i) Subsidiaries

Companies that are controlled, either directly or indirectly by Beef + Lamb New Zealand Limited are considered subsidiary companies. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The Group financial statements incorporate the Group's interest in associates, using the equity method, as from the date the significant influence commenced or until the date the significant influence ceased.

The Group recognises its share of the associates' net surplus or deficit for the year as other income/expenditure in its Consolidated Statement of Revenue and Expenditure. The Group's share of associates' surplus or deficit is adjusted for any differences between the accounting policies of the Group and associates. The Group recognises its share of other post-acquisition movements in reserves in its Consolidated Statement of Revenue and Expenditure. In the Consolidated Statement of Financial Position, the investment is adjusted to match the Group's share of net assets. In assessing the Group's share of earnings of associates, the Group's share of any unrealised profits between Group companies and associates is eliminated.

Judgement is exercised in determining if the Group has significant influence over an associate.

(iii) Joint ventures

Joint ventures are joint arrangements between the company and another party in which there is contractual agreement to undertake a specific business project in which the venturers' share several liability in respect of costs and liabilities of the project and share in any resulting output. The Group's share of the assets, liabilities, revenues and expenses of joint ventures is incorporated into the Group financial statements on a line-by-line basis using the proportionate consolidation method.

All subsidiaries are incorporated in New Zealand.

Subsidiary	Ownership	Nature of Activities
B+LNZ Genetics Limited (BLG)	100%	As of 1 October 2019, the operations of BLG were transferred into Beef + Lamb New Zealand Ltd. This is a non-trading subsidiary.
B+LNZ Investments Limited	100%	B+LNZ Investments Limited has one subsidiary, North Canterbury Future Farm Management Limited (NCFM) (100%).
B+LNZ Clover Company Limited	100%	Holds Beef + Lamb New Zealand Ltd's interest in the Pastoral Genomics Research Consortium. The Pastoral Genomics consortium concluded its research programme in June 2020 and its affairs have been concluded in January 2022.
B+LNZ Emissions Company Limited	100%	Holds Beef + Lamb New Zealand Ltd's interest in the Pastoral Greenhouse Gas Research Consortium
Primary Resources Limited	100%	A non-trading subsidiary
North Canterbury Future Farm Limited Partnership	100%	B+LNZ's Future Farm investment is owned by B+LNZ through its subsidiary B+LNZ Investments Ltd. The North Canterbury Future Farm Limited Partnership's lease concludes on 31 March 2023. The livestock and farm plant & machinery will be sold at market value which is expected to fully recover B+LNZ's investment.
Pastoral Greenhouse Gas Research Consortium (PGgRC)	16.75%	PGgRC exists to provide knowledge and tools for New Zealand farmers, so they can mitigate greenhouse gas emissions from the agricultural sector. The balance date of Pastoral Greenhouse Gas Research Consortium is 30 June. The 12 months to 30 September 2022 include three months of unaudited results from the management accounts.
Pastoral Genomics Research Consortium	26.22%	Pastoral Genomics is a New Zealand research consortium for forage improvement through biotechnology. The Pastoral Genomics consortium joint venture was concluded in January 2022.

OSPRI New Zealand Limited – OSPRI New Zealand is a not-for-profit limited company, established on 1 July 2013. Its shareholders are DairyNZ (45.5%), Beef+Lamb New Zealand Ltd (45.5%) and Deer Industry New Zealand (9%).

TBfree New Zealand Ltd (formerly the Animal Health Board) and NAIT Ltd are wholly-owned subsidiaries of OSPRI New Zealand Ltd.

Beef +Lamb New Zealand does not consider itself to have significant influence, as there is no representation on the Board of Directors, no operational influence on financial and policy decisions, and OSPRI's constitution prohibits distributions to its shareholders. Therefore, OSPRI is not considered an associate of the Group.

OSPRI New Zealand Limited is registered as a charitable entity under the Charities Act 2005 (Registration Number CC49247). OSPRI New Zealand Limited has a 30 June balance date.

(13a) Movements in investments

As at 30 September 2022, the parent performed an impairment test on the investments in subsidiary companies and where necessary, has written them down to their fair values. The impairment test resulted in no impairment recognized during the period.

14. Reserves and Retained Earnings

(a) Retained earnings

Retained earnings contains general retained earnings in addition to the following:

(i) Special reserve

The special reserve is a conduit for funds originating from non-levy sources, primarily the gain on sale of an associated company shareholding in March 2008. These were fully utilised in the 2021 financial year.

(b) Levy Payers Retained Earnings

This comprises the accumulated surpluses and deficits since 2004.

The following table shows the detail of Reserves and Retained Earnings:

Group			
In thousands of New Zealand dollars	Levy Payers Beef and Sheepmeat	Special Reserves	Total Equity
Balance at 30 September 2021	24,755	-	24,755
Attributable comprehensive income for the year	(283)	-	(283)
Balance at 30 September 2022	24,472	-	24,472
Balance at 30 September 2020	23,166	423	23,589
Attributable comprehensive income for the year	1,5891	(423)	1,166
Balance at 30 September 2021	24,755	-	24,755

15. Related Party Transactions and Balances

(a) Transactions and balances with subsidiaries, joint ventures and industry partners

In thousands of New Zealand dollars	2022		2021	
	Funding Provided by B+LNZ	B+LNZ Receivable/ (Payable)	Funding Provided by B+LNZ	B+LNZ Receivable/ (Payable)
Pastoral Greenhouse Gas Research Consortium	(31)	46	(800)	24
Red Meat Profit Partnership Ltd				
Funding	-	-	(1,092)	-
Contribution to Governance and Partner Review	-	-	(103)	-

North Canterbury Future Farm Limited Partnership

As at 30 September 2020, B+LNZ through B+LNZ Investments Ltd acquired the remaining 50% interest in the North Canterbury Future Farm. The transaction was structured with an equity injection to B+LNZ Investments Ltd and with debt funding from B+LNZ of \$450,000 at a 4% per annum interest rate.

Additional capital in the North Canterbury Future Farm Limited Partnership of \$130,000 was subscribed to by the Company and paid on 22 June 2021.

Working capital loan of \$60,000 was provided by the Company at an interest rate of 6% per annum and this was repaid in December 2021.

Additional working capital loans of \$361,000 was provided by the Company at an interest rate of 6% per annum and \$50K principle was repaid in September 2022.

Red Meat Profit Partnership Limited Partnership

Sam McIvor and George Tatham were Beef + Lamb New Zealand Limited's representatives on the Board of the Red Meat Profit Partnership Limited Partnership. Red Meat Profit Partnership Limited Partnership is a Partnership established in May 2014 between Beef + Lamb New Zealand Limited, Alliance Group Limited, Blue Sky Meats(N.Z.) Limited, Progressive Meats Limited, Silver Fern Farms Limited, ANZCO Foods Limited, Rabobank New Zealand Limited, Greenlea Premier Meats Limited and ANZ Bank New Zealand Limited. It was established for the purposes of Research & Development Services. Beef + Lamb New Zealand Limited funding for the 2022 financial year was \$ nil. (2021: \$1,092,416).

The Red Meat Profit Limited Partnership concluded its operations 31 March 2021.

(b) Transactions and balances with other related parties

New Zealand Meat Board

Beef + Lamb New Zealand Limited utilises New Zealand Meat Board offices located in Brussels for market access and market development work. These costs are paid to the New Zealand Meat Board as noted below. The 2021 year was the final year the NZMB employed a Brussels based manager and the final year that B+LNZ utilised the Manager's services for industry good activities in Europe and the United Kingdom.

In thousands of New Zealand dollars	2022	2021
Service fee: overseas offices	(2)	200

All Beef + Lamb New Zealand Limited Farmer and Industry Directors are also Directors of the New Zealand Meat Board.

New Zealand Meat Board funding to Beef + Lamb New Zealand Ltd for the 2022 financial year was \$900,000 operating grant (2021: \$1 million operating grant).

At balance date, Beef + Lamb New Zealand Limited the New Zealand Meat Board owed \$47,409 for expenses incurred on their behalf (2021: \$2,381) and \$420,000 for industry good grant funding from investment income (2021: \$200,000 industry good grant funding from investment income).

Beef + Lamb New Zealand Incorporated

Sam McIvor and Andrew Morrison are Beef + Lamb New Zealand Limited's representatives on the Board of Beef + Lamb New Zealand Incorporated (B+LNZ Inc). Beef + Lamb New Zealand Limited jointly funds, with meat processors and retailers, the domestic generic promotion activities of B+LNZ Inc. Beef + Lamb New Zealand Limited funding for the 2022 financial year was \$600,000 (2021: \$600,000). Beef + Lamb New Zealand Limited also paid \$1,654 for other work in 2022 (2021: \$27,173 other work and \$14,295 rent).

Key management personnel compensation and other transactions

Key management personnel compensation is set out below. The key management personnel are the Directors of the company, the Chief Executive Officer and the direct reports to the Chief Executive Officer.

GROUP	2022		2021	
	Remuneration	Number	Remuneration	Number
In thousands of New Zealand dollars				
Directors	398	9	365	9
Senior Executive Team	2,077	9	2,104	10

Directors receive fees as disclosed in the Statutory Disclosures. The Leadership Team are on a standard employee contract. The Directors are the Directors of Beef + Lamb New Zealand Ltd.

16. Commitments

The Group leases office premises, motor vehicles and office equipment. As the lessor retains all risks of ownership, these leases are classified as operating leases. Operating lease costs are expensed in the period in which they are incurred. The Group does not have any finance leases.

Operating leases

The lease commitments are based on current rentals. Beef + Lamb New Zealand Limited leases premises in Wellington, in regional New Zealand locations with lease terms of 1-6 years. Some motor vehicles and office equipment are also leased.

Beef + Lamb New Zealand Limited's non-cancellable lease commitments are as follows:

In thousands of New Zealand dollars	Group	Group	Parent	Parent
	2022	2021	2022	2021
Within 1 year	779	920	779	920
Within 1-2 years	336	632	336	632
Within 2-5 years	292	326	292	326
Later than 5 years	120	137	120	137

Funding and contractual commitments

Beef + Lamb New Zealand Limited committed to contribute to the Ruminant Greenhouse Gas and the residual Pastoral Greenhouse Gas Research Consortium activity, and Red Meat Profit Partnership (ceased 31 March 2021).

In thousands of New Zealand dollars	Group 2022	Group 2021	Parent 2022	Parent 2021
Within 1 year	3,095	5,526	3,095	5,526
Within 1-2 years	252	851	252	851
Within 2-5 years	70	154	70	154
Later than 5 years	-	-	-	-

For Pastoral Greenhouse Gas Research Consortium, there is a commitment from the Partners being required to match funds over the term of the MBIE agreement concluding in the 2022 financial year.

Other contractual commitments

In 2017, sheep and beef farmers supported Beef + Lamb New Zealand (B+LNZ) joining the Government Industry Agreement on Biosecurity Readiness and Response (GIA). Part of the proposal supported was the creation of a Biosecurity Act levy on sheepmeat and beef producers to pay for readiness and response costs.

B+LNZ is a partner with the Ministry for Primary Industries (MPI) and DairyNZ in the Mycoplasma bovis (M. bovis) response. In June 2019 farmers supported increasing the maximum biosecurity levy on beef (excluding dairy cows) to \$2.07 per head to repay the beef sector's share of the M.bovis response costs.

The biosecurity levy on beef was implemented from February 2020 and to 30 September 2022 \$7.538 million (\$1.80 per head) was collected and paid across to the MPI M.bovis response. In the 2022 financial year, \$2.997 million was collected and paid to MPI.

The total response cost for the beef sector is contracted to be \$17 million the next ten years to 2030.

Capital commitments

There are no capital commitments as at 30 September 2022 (2021: \$ nil).

17. Contingencies

There are no contingencies.

18. Events Occurring after Balance Sheet Date

There were no other significant events after balance sheet date that would have a material impact on the financial statements.

19. Reconciliation of Surplus/(deficit) to Net Cash Flow from Operating Activities

In thousands of New Zealand dollars	Group 2022	Group 2021	Parent 2022	Parent 2021
Reported surplus/ (deficit) after taxation	(283)	1,166	(141)	1,479
Add/(less) non-cash items:				
Depreciation	236	231	210	198
Software amortisation	174	225	174	225
Income Tax on Jarden Investment	27	-	27	-
Jarden Investment Management fees	16	-	16	-
Provision for doubtful debts	4	-	4	-
Fair value movement in derivatives	(99)	(22)	(99)	(22)
Increase/(decrease) in Restructuring provision	-	(37)	-	(37)
(Increase)/decrease in term receivables	22	16	22	16
Increase/(decrease) in short-term employee entitlements	46	(19)	46	(19)
Impairment of investment in subsidiaries	-	-	-	266
	426	394	400	627
Add/(less) movements in other working capital items:				
(Increase)/decrease in accounts receivable exchange	3	1,351	43	1,346
(Increase)/decrease in stock valuation	(129)	8	-	-
(Increase)/decrease in accounts receivable non exchange	(387)	(111)	(387)	(106)
Increase/(decrease) in accounts payable	(165)	536	22	681
Increase/(decrease) in accrued lease incentive	(42)	(42)	(42)	(42)
Increase/(decrease) in deferred income	(86)	60	(86)	60
(Increase)/decrease in income in advance	(83)	(250)	(83)	(250)
	(889)	1,552	(533)	1,689
Add/(less) items classified as investing or financing activities:				
(Gain)/loss on Jarden Managed Investment Fund	1,000	-	1,000	-
Dividends received	(285)	-	(285)	-
Net cash flows from operating activities	(31)	3,112	441	3,795

STATUTORY DISCLOSURES

Disclosure of Interests by Directors

In accordance with section 140(2) of the Companies Act 1993, the Directors have made general disclosures of their relevant interests for entry in the Groups interest register.

Directors have disclosed interests in transactions with associated and subsidiary companies and these are disclosed in Note 13 to the Financial Statements.

All of the farmer and industry directors of Beef + Lamb New Zealand Limited are directors of the New Zealand Meat Board and all plus the independent director are directors of Meat & Wool Trust Ltd.

Board of Directors Fees

	2022 (\$000)	2021 (\$000)
Chairman	76	74
Directors	38	37
Chair of Board Committees	4	4

The above fees represent the annualised fees payable to Directors. The Company pays no other fees to Directors for their representation on subsidiary or other related organisations.

The 2022 annual meeting approved an increase in director fees as follows:

- Chairman's remuneration is increased from \$74,000 to \$76,220 an increase of \$2,220 or 3%;
- B+LNZ Director fees are increased from \$37,000 to \$38,110 an increase of \$1,110 or 3%; and

The B+LNZ Board approved an additional \$4,240 per annum from the director fees pool paid to each of the Audit & Risk Committee and People & Culture Committee chairs (Martin Coup and Scott Gower).

The total director fees pool approved by farmers is \$401,500.

Directors' Indemnity and Insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of Beef + Lamb New Zealand Limited, the company has insured all its Directors and Officers against liabilities to other parties that may arise from their positions as Directors of the company. This insurance does not cover liabilities arising from criminal actions and deliberate and reckless acts or omissions by the Directors.

Use of Company Information by Directors

No notices were received from Directors pursuant to section 145 of the Companies Act 1993 requesting use of company information received in their capacity as Directors which would otherwise not have been available to them.

Remuneration Range	Number of Employees	
	2022	2021
100-109	6	6
110-119	7	10
120-129	7	4
130-139	5	2
140-149	4	6
150-159	4	1
160-169	0	4
170-179	4	4
180-189	4	4
190-199	3	0
200-209	2	0
210-219	1	2
220-229	1	2
230-239	3	0
270-279	0	1
280-289	1	0
330-339	0	1
400-409	1	0

Employee Remuneration

Set out on the left is the number of employees of Beef + Lamb New Zealand Limited and its subsidiaries who received remuneration and other benefits of \$100,000 or more during the year in their capacity as employees.

The remuneration of staff resident outside New Zealand has been converted to New Zealand dollars for the purpose of this disclosure.

The People & Culture Committee of the company's Board approves the company's remuneration policy.

Subsidiary and Associated Company Directors

The following persons held the office of Director of the respective subsidiaries and associates during the year to 30 September 2022. Directors appointed (A) or who resigned (R) during the year are indicated. Staff appointments do not receive Directors fees or other benefits as a Director.

Meat and Wool Trust Ltd (Shareholder Beef + Lamb New Zealand Ltd)	Kate Acland, Bayden Barber, Martin Coup, Tony Egan (R), Scott Gower, Alex Guilleux, Nicky Hyslop, Andrew Morrison, George Tatham, David Surveyor (A).
Subsidiary Companies and Associates	
B+LNZ Clover Company Ltd Holds B+LNZ interest in Pastoral Genomics Research Consortium	Sam Mclvor
B+LNZ Emissions Company Ltd Holds B+LNZ interest in Pastoral Greenhouse Gas Research Consortium	Sam Mclvor
B+LNZ Investments Ltd Holds B+LNZ interest in the North Canterbury Future Farm	Sam Mclvor
Taste Pure Nature Ltd Licences meat exporters with Taste Pure Nature branding	Sam Mclvor
Primary Resources Ltd Non-trading	Andrew Morrison
B+LNZ Genetics Ltd Non-trading	George Tatham, Sam Mclvor, Cros Spooner
Beef + Lamb New Zealand Incorporated	Andrew Morrison, Sam Mclvor
North Canterbury Future Farm Management Ltd	Sam Mclvor
Pastoral Greenhouse Gas Research Ltd	Andrew Morrison

Independent Auditor's Report

To the stakeholders of Beef + Lamb New Zealand Limited

Report on the audit of the company and group financial statements

Opinion

In our opinion, the company and group financial statements of Beef + Lamb New Zealand Limited (the 'company') and its subsidiaries (the 'group') on pages 1 to 25:

- i. present fairly, in all material respects, the company's and group's financial position as at 30 September 2022 and their financial performance and cash flows for the year ended on that date; and
- ii. comply with Public Benefit Entity Standards (Not For Profit) issued by the New Zealand Accounting Standards Board.

We have audited the accompanying company and group financial statements which comprise:

- the company and group statements of financial position as at 30 September 2022;
- the company and group statements of comprehensive revenue and expenses, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information. This excludes statutory disclosures.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company and group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the company and group financial statements* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the company and group.

Use of this independent auditor's report

This independent auditor's report is made solely to the stakeholders as a body. Our audit work has been undertaken so that we might state to the stakeholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the stakeholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the company and group financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the company and group financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards (Not For Profit)) issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a company and group set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the company and group financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these company and group financial statements.

A further description of our responsibilities for the audit of these company and group financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

This description forms part of our independent auditor's report.



KPMG
Wellington

7 December 2022