



FULL FINANCIAL STATEMENTS

September 2023

Statement of Service Performance

For the year ended 30 September 2023

Beef + Lamb New Zealand Limited (B+LNZ) exists under the Commodity Levies Act 1990. No later than every six years sheep and beef producers vote to support B+LNZ's industry good mandate and continue paying red meat levies.

The last farmer referendum was held in 2021 and the Commodity Levies (Meat) Order 2021 regulation approved which provides levy funding from sheep (75 cents per head) and beef (\$5.20 per head) production at point of slaughter for investment in the strategic priorities, as set out in the referendum levy proposal.

Under the 2021-26 strategy, B+LNZ's vision is sustainable and profitable farmers, thriving rural sustainable farming communities, valued by New Zealanders.

Working with our farmers our priorities are:



Supporting farming excellence. Our farmers run sustainable, profitable, farming systems.

We do this by supporting farmers to achieve this by delivering the world's best research, innovation and extension.



Championing the sector. Our farmers are celebrated as the world's best red meat producers.

We do this by positioning the sector to be respected and supported by New Zealanders and advocating for policies that enable our farmers.



Increasing market returns. Our farmers receive increased value for our sustainable farming systems and natural grass-fed beef and lamb.

We do this by identifying and creating market opportunities, dismantling barriers, and growing consumer preference for New Zealand beef and lamb.

Our farmers

Partnerships are a key enabler to our strategy, and engagement with farmers is central to what we do, across our teams, programmes, events and advisory groups. Our priority is face-to-face contact where possible, but we reach farmers in a range of ways.

We track key indicators to better understand how our engagement is working and how farmers are feeling about the sector. Surveys are conducted by an independent third-party provider on a quarterly basis using well established methodology.

Farmer awareness of B+LNZ and satisfaction with B+LNZ are key measures of success for B+LNZ and represent farmer perception of overall performance.

Investment

B+LNZ's investment in industry good activities is allocated across the strategic priority areas, as approved by farmers during the referendum process, and third-party income and Government funding is sought to leverage the levy funds invested.

The strategic priority areas are broken into programme areas and reported against the budget targets set for the 2023 year to provide transparency where the levy investment is made on behalf of farmers.

Farmer metrics

	Target	2023	2022 (unaudited)
Farmer awareness of B+LNZ (12 month rolling average)	>80%	82%	81%
Farmers neutral or satisfied with B+LNZ (12 month rolling average)	>75%	69%	80%
Farmer events	450	394	571
Event attendees	13,000	12,907	15,026

Farmer awareness and satisfaction with B+LNZ is summarised from the September 2023 survey of a representative sample of 495 farmers from across all regions chosen by an independent research provider from the B+LNZ farmer database. The survey is conducted on a quarterly basis.

The target is to achieve awareness levels more than 80%. Awareness levels have averaged 82% across the year slightly up from the previous year. Farmers are asked how much they know about B+LNZ and what it does with reference to the strategic priorities.

Farmers satisfaction Includes both satisfied and neutral responses returned in the survey. Farmers are asked to rate satisfaction (a score of 1-2), neutral 3 and dissatisfied 4-5). Over the last twelve months the rolling average for neutral and satisfied farmer responses has fallen to 69% with a big shift from satisfied to neutral. Key drivers for this shift was farmer views that the B+LNZ position on He Waka Eke Noa and climate change was not supported by them and B+LNZ was not seen to be standing up well enough for farmers with the Government

Farmer events summarise the farmer events run by B+LNZ and includes joint events with partner organisations. The number of events and the number of attendees has reduced with significantly less GHG know your Numbers workshops being held in the 2023 financial year and also the Impact of the Auckland anniversary cyclone and Cyclone Gabrielle In the Northern and Eastern North Island regions. While less events had been planned (those run by partners), the impact of the cyclones also contributed across the North Island to the reduction in the 2023 year.

Investment by strategic priority \$,000

	Target 2023	Actual 2023	2022 (unaudited)
Supporting Farming Excellence	18,500	15,610	14,098
Research	3,848	2,656	2,459
Genetics	4,901	4,600	3,304
Extension	4,569	4,409	3,996
Recruitment & training	1,324	960	1,175
Environment on farm	3,859	2,985	3,165
Increasing Market Returns	7,942	7,350	7,327
Taste Pure Nature, consumer insights & market innovation	6,135	5,897	5,534
Market access & policy	1,806	1,453	1,793
Championing the sector	7,769	8,542	6,640
Trust, reputation and communication	2,355	2,669	2,253
Advocacy on national & regional policy	5,414	5,874	4,388
Third party income as a % of levy income	19%	20%	18%

The major movements compared to Target (budget) were the delays to establishing a Facial Eczema research programme that has been contracted post balance date, recruitment and training requiring less funding as funding contracts were concluded and Informing NZ Beef milestones moving into the 2023-24 financial year.

Policy time was shifted to national and regional policy work particularly climate and freshwater, regional planning and then into industry trust and reputation including the Backing NZ farmer's campaign.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2023

In thousands of New Zealand dollars	Note	Group	Group
		Year Ended 2023	Year Ended 2022
		Total	Total
Non Exchange Revenue			
Levies Received	4	30,194	30,252
Biosecurity Levies Received	4	3,069	2,997
Other Non Exchange Income	4	5,133	4,224
Exchange Revenue			
Other income	4	3,706	4,140
Total Income		42,102	41,613
Operating expenses	6	(44,439)	(41,308)
Net operating surplus/ (deficit) from operating activities		(2,337)	305
Net finance income / (expense)	5	565	(561)
Net operating surplus/ (deficit) for the year before income tax		(1,772)	(256)
Income tax expense	7	(45)	(27)
Net operating surplus/ (deficit) for the year		(1,817)	(283)
Total comprehensive income for the year	14	(1,817)	(283)
Attributable to:			
Levy payers		(1,817)	(283)
		(1,817)	(283)

This statement is to be read in conjunction with the accounting policies and notes on pages 9 to 27.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2023

		Parent		
		Year Ended 2023		
In thousands of New Zealand dollars	Note	Beef	Sheepmeat	Total Levy Stream
Non Exchange Revenue				
Levies Received	4	14,181	16,012	30,194
Biosecurity Levies Received	4	3,069	-	3,069
Other Non Exchange Income	4	3,359	1,774	5,132
Exchange Revenue				
Other income	4	1,470	1,789	3,260
Total Income		22,079	19,575	41,655
Operating expenses	6	(22,382)	(21,592)	(43,974)
Net operating surplus/ (deficit) from operating activities		(303)	(2,017)	(2,319)
Net finance expense	5	278	287	565
Revaluation of Investment in Subsidiary company	13	12	18	30
Net operating surplus/ (deficit) for the year before income tax		(13)	(1,712)	(1,724)
Income tax expense	7	(22)	(22)	(45)
Net operating surplus/ (deficit) for the year		(35)	(1,734)	(1,769)
Total comprehensive income for the year	14	(35)	(1,734)	(1,769)
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements comprising:				(48)
B+LNZ Investments Ltd				(41)
B+LNZ Emissions Company Ltd				(7)
Group Net operating surplus/ (deficit) for the year- Levy Stream				(1,817)

This statement is to be read in conjunction with the accounting policies and notes on pages 9 to 27.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 September 2022

In thousands of New Zealand dollars	Note	Parent		Total Levy Stream
		Beef	Sheepmeat	
Non Exchange Revenue				
Levies Received	4	14,076	16,174	30,251
Biosecurity Levies Received	4	2,997	-	2,997
Other Non Exchange Income	4	2,594	1,631	4,224
Exchange Revenue				
Other income	4	1,592	1,719	3,312
Total Income		21,259	19,524	40,784
Operating expenses	6	(20,309)	(20,025)	(40,335)
Net operating surplus/ (deficit) from operating activities		950	(501)	449
Net finance expense	5	(272)	(291)	(563)
Net operating surplus/ (deficit) for the year before income tax		678	(792)	(114)
Income tax expense	7	(14)	(14)	(27)
Net operating surplus/ (deficit) for the year		664	(806)	(141)
Total comprehensive income for the year	14	664	(806)	(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 9 to 27.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2023

	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
In thousands of New Zealand dollars				
Balance at 1 October 2022	24,472	24,472	24,385	24,385
Total comprehensive revenue and expense				
Surplus/(Deficit) for the year	(1,817)	(1,817)	(1,769)	(1,769)
Total comprehensive income for the year	(1,817)	(1,817)	(1,769)	(1,769)
Balance at 30 September 2023	22,655	22,655	22,616	22,616

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2022

	Group		Parent	
	Retained Earnings	Total Equity	Retained Earnings	Total Equity
In thousands of New Zealand dollars				
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

This statement is to be read in conjunction with the accounting policies and notes on pages 9 to 27.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

In thousands of New Zealand dollars	Note	Group 2023	Group 2022	Parent 2023	Parent 2022
EQUITY EMPLOYED					
Retained earnings	14	22,655	24,472	22,616	24,385
TOTAL EQUITY EMPLOYED		22,655	24,472	22,616	24,385
Represented by:					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		6,192	4,256	6,190	4,089
Trade and other exchange receivables	8	809	783	795	740
Non-exchange Receivables	8	2,872	3,095	2,857	3,094
Term Deposits	9	4,000	7,500	4,000	7,500
Jarden - Managed Investment Portfolio	10	1,260	628	1,260	628
Derivative financial instruments	11	10	115	10	115
Assets held for sale	12	-	929	-	-
Advance to Subsidiary Company		-	-	-	761
TOTAL CURRENT ASSETS		15,143	17,306	15,112	16,927
NON-CURRENT ASSETS					
Property, plant & equipment		672	422	672	422
Intangible assets		357	77	357	77
Jarden - Managed Investment Portfolio	10	11,572	11,613	11,572	11,613
Investments in subsidiary companies	13	-	-	-	255
Term receivables- Exchange		34	24	34	24
TOTAL NON-CURRENT ASSETS		12,635	12,136	12,635	12,391
TOTAL ASSETS		27,778	29,442	27,747	29,318
CURRENT LIABILITIES					
Trade and other payables		3,875	3,865	3,883	3,857
Income in Advance		376	299	376	299
Derivative financial instruments	11	5	3	5	3
Deferred Revenue		87	-	87	-
Liabilities held for sale	14	-	29	-	-
Employee entitlements		703	753	703	753
TOTAL CURRENT LIABILITIES		5,046	4,949	5,054	4,912
NON CURRENT LIABILITIES					
Lease Liabilities		77	21	77	21
TOTAL NON-CURRENT LIABILITIES		77	21	77	21
TOTAL LIABILITIES		5,123	4,970	5,131	4,933
NET ASSETS		22,655	24,472	22,616	24,385

The Board of Directors authorised these financial statements for issue on 6 December 2023.

A copy of the full financial report is available from Beef + Lamb New Zealand Limited.



K Acland
Chair



M Coup
Chair Audit & Risk Committee

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2023

In thousands of New Zealand dollars	Note	Group 2023	Group 2022	Parent 2023	Parent 2022
OPERATING ACTIVITIES					
Cash was received from:					
Levy receipts		33,329	33,212	33,329	33,212
Receipts from customers including rental income		4,744	3,954	3,501	3,245
Government Grants		3,717	3,136	3,717	3,136
Interest received		452	235	452	234
Grant funding from New Zealand Meat Board		1,320	680	1,320	680
Foreign currency translation adjustment		17	-	17	-
Realised Gain on matured Foreign Exchange Contracts		-	90	-	90
		43,579	41,307	42,336	40,597
Cash was applied to:					
Payments to suppliers and employees		44,362	41,325	43,821	40,139
Payments to Consortia		-	-	30	-
Foreign currency translation adjustment		-	13	-	13
Net GST Paid		14	-	12	4
Realised Loss on matured Foreign Exchange Contracts		63	-	63	-
		44,439	41,338	43,926	40,156
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	(860)	(31)	(1,590)	441
INVESTING ACTIVITIES					
Cash was received from:					
Maturity of investments		10,500	20,510	10,500	20,510
Disposal of property, plant & equipment		150	-	-	-
Loan North Canterbury Future Farm		-	-	761	202
Capital Redeemed North Canterbury Future Farm		-	-	285	-
Dividend Received		482	245	482	245
		11,132	20,755	12,028	20,957
Cash was applied to:					
Purchase of property, plant & equipment		480	100	480	100
Purchase of intangible assets		358	2	358	2
Loan North Canterbury Future Farm		-	-	-	513
Purchase of investments		7,000	11,500	7,000	11,500
Purchase of Managed Fund		499	13,244	499	13,244
		8,337	24,846	8,337	25,359
NET CASH FLOWS FROM/ (TO) INVESTING ACTIVITIES		2,795	(4,091)	3,691	(4,402)
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		1,935	(4,122)	2,101	(3,961)
Add: Opening cash and cash equivalents		4,257	8,378	4,089	8,050
CLOSING CASH AND CASH EQUIVALENTS		6,192	4,256	6,190	4,089
CASH AND CASH EQUIVALENTS COMPRISE					
Cash at Bank		2,864	3,694	2,862	3,527
Short Term Deposits		3,328	562	3,328	562
		6,192	4,256	6,190	4,089

This statement is to be read in conjunction with the accounting policies and notes on pages 9 to 27.

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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

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. All livestock had been sold prior to the 2023 year end when the Future Farm ceased operating.

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.

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 conditions imposed on the use of the grant. Conditions that specifically require the Group to return the grant received if they are not used in the way contracted, result in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the conditions are satisfied.

Conditions that do not specifically require the Group to return the grant received if it is not utilised in the way contracted, 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) and the Ministry of Primary Industries (MPI).

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 2023	Group 2022	Parent 2023	Parent 2022
Interest income on term deposits	319	204	319	204
Interest income on cash and cash equivalents	165	59	165	57
Foreign exchange gain/ (loss) on derivatives	(154)	176	(154)	176
Gain/(loss) on investments - Jarden managed investment fund (refer to note 10)	235	(1,000)	235	(1,000)
Net finance income	565	(561)	565	(561)

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 \$673 (2022: \$49,768)

The following items of expenditure are included in operating expenses:

In thousands of New Zealand dollars	Group 2023	Group 2022	Parent 2023	Parent 2022
<i>Audit fees</i>				
Auditor's remuneration to KPMG comprises:				
Audit of financial statements	64	59	64	58
Total auditor's remuneration	64	59	64	58
Depreciation	173	236	219	210
Software amortisation	78	174	78	174
Rental expense relating to operating leases	731	731	731	731
Directors fees	392	400	392	398
Employee benefits	13,329	12,215	13,328	12,215
Other operating expenditure	8,968	7,802	8,500	7,043
Research and development expenditure	7,533	6,978	7,491	6,793
Other project expenditure	10,102	9,716	10,102	9,716
Biosecurity levy paid	3,069	2,997	3,069	2,997
Total operating expenses	44,439	41,308	43,974	40,335

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 \$72.2 million (2022: \$71.8 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 \$44,854 (2022: \$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 2023	Group 2022	Parent 2023	Parent 2022
Exchange Transactions				
Other Trade Receivables	433	409	419	366
Prepayments	279	309	279	309
Accrued interest	97	65	97	65
	809	783	795	740

In thousands of New Zealand dollars	Group 2023	Group 2022	Parent 2023	Parent 2022
Non Exchange Transactions				
Levies Receivable	1,908	2,361	1,908	2,361
Other Trade Receivables	66	124	73	123
Government Grants Receivable	398	190	376	190
NZMB Grant Funding Receivable	500	420	500	420
	2,872	3,095	2,857	3,094

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 2023	Group 2022	Parent 2023	Parent 2022
Current Investments	4,000	7,500	4,000	7,500

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	2023	2022
In thousands of New Zealand dollars		
Opening Portfolio Value	12,241	
Capital Contributed	-	13,001
Capital Changes to Investments		-
Realised Capital Gain / (loss)	29	(14)
Unrealised Gain / (loss)	206	(986)
Accrued Interest	3	40
Income		
Interest	181	90
Dividends	256	154
Less Costs		
Tax	(45)	(27)
Management Fees	(39)	(17)
Total Costs	(84)	(44)
Net Income	353	200
Net Gain/ (loss) for the year	591	(759)
Closing Portfolio Value	12,832	12,241
Gross Portfolio return for period	5.20%	-6.66%
Net Portfolio Return after fees and taxes p.a	4.82%	-6.90%

Jarden Managed Investment Portfolio Asset Allocation	2023	2022
In thousands of New Zealand dollars		
Current Investments		
NZ Cash and Cash Equivalents	481	237
NZ Fixed Interest	779	391
Total Current	1,260	628
Non Current Investments		
NZ Fixed Interest	4,175	4,424
NZ Property	604	652
NZ Equities	1,918	1,955
Australian Equities	1,232	1,149
Global Fixed Interest	-	-
Global Equities	3,643	3,433
Total Non Current	11,572	11,613
Closing Portfolio Value	12,832	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 2023.

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
2023				
Forward exchange contracts				
Inflow	10	723	439	284
Outflow	(5)	(718)	(431)	(287)
2022				
Forward exchange contracts				
Inflow	115	1,862	690	1,172
Outflow	(3)	(1,750)	(630)	(1,120)

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 \$6.793 million (2022: 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	USD	AUD
2023		
Jarden - Managed Investment Portfolio	3,643	1,232
Gross balance sheet exposure and net exposure	3,643	1,232
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 2023

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	-	-	-	6,192	-	6,192	6,192
Trade and other receivables	-	-	-	3,681	-	3,681	3,681
Term Deposits	-	-	4,000	-	-	4,000	4,000
Derivative financial instruments	10	-	-	-	-	10	10
Jarden - Managed Investment Portfolio	-	1,260	-	-	-	1,260	1,260
Assets held for sale	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	10	1,260	4,000	9,873	-	15,143	15,143
Jarden - Managed Investment Portfolio	-	11,572	-	-	-	11,572	11,572
Term receivables	-	-	-	34	-	34	34
TOTAL NON-CURRENT ASSETS	-	11,572	-	34	-	11,606	11,606
TOTAL ASSETS	10	12,832	4,000	9,907	-	26,749	26,749
LIABILITIES							
Trade and other payables	4,251	-	-	-	-	4,251	4,251
Derivative financial instruments	5	-	-	-	-	5	5
Liabilities held for sale	-	-	-	-	-	-	-
Employee Entitlements	703	-	-	-	-	703	703
TOTAL CURRENT LIABILITIES	4,959	-	-	-	-	4,959	4,959
TOTAL LIABILITIES	4,959	-	-	-	-	4,959	4,959

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

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 \$10.4 million of reserves in the event of an unsuccessful referendum to contribute to an orderly wind up of the Company.

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 concluded on 31 March 2023. The livestock and farm plant & machinery have been sold at market value and the investment shown in the 2022 Statement of Position has been fully recovered.

At 30 September 2022 the North Canterbury Future Farm had compromised 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.

Joint Venture	Ownership	Nature of Activities
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.

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%	A non-trading subsidiary.
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 was owned by B+LNZ through its subsidiary B+LNZ Investments Ltd. The North Canterbury Future Farm Limited Partnership's lease concluded on 31 March 2023. The livestock and farm plant & machinery have been sold at market value.

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 Limited 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 2023, 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 recognised during the period.

14. Reserves and Retained Earnings

(a) Retained earnings

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

(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	Levy Payers Beef and Sheepmeat	
In thousands of New Zealand dollars	2023	2022
Opening balance	24,472	24,755
Attributable comprehensive income for the year	(1,817)	(283)
Closing balance	22,655	24,472

15. Related Party Transactions and Balances

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

In thousands of New Zealand dollars	2023		2022	
	Funding Provided by B+LNZ	B+LNZ Receivable/ (Payable)	Funding Provided by B+LNZ	B+LNZ Receivable/ (Payable)
Pastoral Greenhouse Gas Research Consortium	(25)	(7)	(31)	46

(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.

In thousands of New Zealand dollars	2023	2022
Service fee: overseas offices	43	(2)

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

New Zealand Meat Board industry good funding to Beef + Lamb New Zealand Ltd for the 2023 financial year was \$1.4 million (2022: \$0.9 million).

At balance date, Beef + Lamb New Zealand Limited the New Zealand Meat Board owed \$9,915 for expenses incurred on their behalf (2022: \$47,409) and \$500,000 for industry good grant funding from investment income (2022: \$420,000 industry good grant funding from investment income).

Beef + Lamb New Zealand Incorporated

Sam McIvor and Kate Acland 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 2023 financial year was \$900,000 (2022: \$600,000). Beef + Lamb New Zealand Limited also paid \$1,403 for other work in 2023 (2022: \$1,654 other work).

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	2023		2022	
	Remuneration	Number	Remuneration	Number
In thousands of New Zealand dollars				
Directors	392	9	398	9
Senior Executive Team	2,182	9	2,077	9

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 2023	Group 2022	Parent 2023	Parent 2022
Within 1 year	848	779	848	779
Within 1-2 years	675	336	675	336
Within 2-5 years	1,125	292	1,125	292
Later than 5 years	950	120	950	120

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.

In thousands of New Zealand dollars	Group 2023	Group 2022	Parent 2023	Parent 2022
Within 1 year	1,509	3,095	1,579	3,095
Within 1-2 years	380	252	411	252
Within 2-5 years	20	70	20	70
Later than 5 years	-	-	-	-

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 2023 \$10.607 million (\$1.80 per head) was collected and paid across to the MPI M.bovis response. In the 2023 financial year, \$3.069 million was collected and paid to MPI (2022 \$2.977 million).

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 2023 (2022: \$ 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 2023	Group 2022	Parent 2023	Parent 2022
Reported surplus/ (deficit) after taxation	(1,817)	(283)	(1,769)	(141)
Add/(less) non-cash items:				
Depreciation	173	236	219	210
Software amortisation	78	174	78	174
Income Tax on Jarden Investment	45	27	45	27
Jarden Investment Management fees	56	16	56	16
Provision for doubtful debts	-	4	-	4
(Gain)/loss on disposal of fixed assets	47	-	10	-
Fair value movement in derivatives	108	(99)	108	(99)
(Increase)/decrease in term receivables	(10)	22	(10)	22
Increase/(decrease) in short-term employee entitlements	(50)	46	(51)	46
	447	426	455	400
Add/(less) movements in other working capital items:				
(Increase)/decrease in accounts receivable exchange	(18)	3	(55)	43
(Increase)/decrease in stock valuation	771	(129)	-	-
(Increase)/decrease in accounts receivable non exchange	237	(387)	237	(387)
Increase/(decrease) in accounts payable	(25)	(165)	27	22
Increase/(decrease) in accrued lease incentive	56	(42)	56	(42)
Increase/(decrease) in deferred income	87	(86)	87	(86)
(Increase)/decrease in income in advance	77	(83)	77	(83)
	1,185	(889)	429	(533)
Add/(less) items classified as investing or financing activities:				
(Gain)/loss on Jarden Managed Investment Fund	(235)	1,000	(235)	1,000
Dividends received	(440)	(285)	(440)	(285)
Gain / (Loss) on sale of Investments	-	-	(30)	-
Net cash flows from operating activities	(860)	(31)	(1,590)	441

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

	2023 (\$000)	2022 (\$000)
Chairman	76	76
Directors	38	38
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.

During the 2023 year (1 October 2022 to 30 March 2023 a Deputy Chair fee of \$5.6K was paid to K Acland (2022 \$4.4K)

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.

Employee Remuneration

Set out below 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.

(\$,000)	Number of Employees	
	2023	2022
Remuneration Range		
100-109	11	6
110-119	8	7
120-129	5	7
130-139	8	5
140-149	2	4
150-159	2	4
160-169	4	0
170-179	7	4
180-189	3	4
190-199	1	3
200-209	0	2
210-219	3	1
220-229	0	1
230-239	3	3
270-279	1	0
280-289	0	1
380-389	1	0
400-409	0	1

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 2023. 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, Peter Conley (A) Martin Coup, Patrick Crawshaw (A), Scott Gower, Alex Guilleux, Nicky Hyslop, Andrew Morrison (R), George Tatham (R), David Surveyor (R) Geoffrey Young (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 (R), Sam Mclvor (A)
B+LNZ Genetics Ltd Non-trading	George Tatham (R), Sam Mclvor, Cros Spooner
Beef + Lamb New Zealand Incorporated	Andrew Morrison (R), Sam Mclvor, K Acland (A)
North Canterbury Future Farm Management Ltd	Sam Mclvor
Pastoral Greenhouse Gas Research Ltd	Andrew Morrison (R), Dan Brier (A)



Independent Auditor's Report

To the stakeholders of Beef + Lamb New Zealand

Report on the audit of the company and group financial report

Opinion

In our opinion, the company and group financial report of Beef + Lamb New Zealand (the 'company') and its subsidiaries (the 'group') on pages 1 to 28 presents fairly, in all material respects:

- i. the company's and group's financial position as at 30 September 2023 and its financial performance and cash flows for the year ended on that date; and
- ii. the service performance for the year ended 30 September 2023 in accordance with the company's service performance criteria;

in accordance 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 report which comprises:

- the company and group statement of financial position as at 30 September 2023;
- the company and group statements of comprehensive revenue and expenses, changes in equity and cash flows for the year then ended ;
- notes, including a summary of significant accounting policies ; and
- the company and group statement of service performance on pages 1 to 2.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the statement of service performance, in accordance with the New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). 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) and NZ AS 1 are further described in the *Auditor's responsibilities for the audit of the company and group financial report* section of our report.

Our firm has also provided other services to the company and group in relation to strategy discovery advisory services. Subject to certain restrictions, partners and employees of our firm may also deal with the company and group on normal terms within the ordinary course of trading activities of the business of the company and group. These matters have not impaired our independence as auditor of the company and group. The firm has no other relationship with, or interest in, the company and group.



Other matter

The statement of service performance for the year ended 30 September 2022, was not audited.



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 report

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

- the preparation and fair presentation of the company and group financial report 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 financial report that is free from material misstatement, whether due to fraud or error;
 - service performance criteria that are suitable in order to prepare service performance information in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards (Not For Profit)); 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.
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Auditor's responsibilities for the audit of the company and group financial report

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole and the statement of service performance is 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 and NZ AS 1 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 and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of this company and group financial report.



A further description of our responsibilities for the audit of this company and group financial report is located at the External Reporting Board (XRB) website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-17/>

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

A handwritten signature of the KPMG firm, written in blue ink. The letters 'KPMG' are written in a cursive, stylized font.

KPMG
Wellington

6 December 2023