



Independent Auditor's Report

To the stakeholders of Beef + Lamb New Zealand

Report on the company and group financial statements

Opinion

In our opinion, the accompanying company and group financial statements of Beef + Lamb New Zealand (the company) and its subsidiaries (the group) on pages 1 to 26:

- i. present fairly in all material respects the company's and group's financial position as at 30 September 2017 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with Public Benefit Entity Standards (Not For Profit).

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

- the company and group statement of financial position as at 30 September 2017;
- the company and group statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



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 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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.

Our firm has also provided other services to the company and group in relation to IT advisory services. This matter has 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.



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));
- implementing necessary internal control to enable the preparation of a company and group set of financial statements that is fairly presented and 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 company and group 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

6 December 2017

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 30 September 2017

	Note	GROUP			GROUP		
		Year Ended 2017			Year Ended 2016		
		Total	Levy Stream	Non Levy Stream	Total	Levy Stream	Non Levy Stream
In thousands of New Zealand dollars							
Non Exchange Revenue							
Levies Received	4	24,417	24,417	-	25,754	25,754	-
Other Non Exchange Income	4	8,857	5,533	3,324	6,534	6,534	-
Exchange Revenue							
Other income	4	3,219	3,219	-	2,705	2,705	-
Operating expenses	6	(37,841)	(32,501)	(5,340)	(38,034)	(34,317)	(3,717)
Net operating surplus/ (deficit) from operating activities		(1,348)	668	(2,016)	(3,041)	676	(3,717)
Net finance income	5	661	515	146	520	322	198
Net operating surplus/ (deficit) for the year before income tax		(687)	1,183	(1,870)	(2,521)	998	(3,519)
Income tax expense	7	-	-	-	-	-	-
Net operating surplus/ (deficit) for the year		(687)	1,183	(1,870)	(2,521)	998	(3,519)
<i>Other comprehensive income</i>		-	-	-	-	-	-
Total comprehensive income for the year		(687)	1,183	(1,870)	(2,521)	998	(3,519)
Attributable to:							
Levy payers	13	1,183	1,183	-	998	998	-
Meat Education Fund		(494)	-	(494)	(458)	-	(458)
Special Reserves		(1,376)	-	(1,376)	(3,061)	-	(3,061)
		(687)	1,183	(1,870)	(2,521)	998	(3,519)

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 26.



Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 30 September 2017

	Note	PARENT			PARENT		
		Year Ended 2017			Year Ended 2016		
		Total	Levy Stream	Non Levy Stream	Total	Levy Stream	Non Levy Stream
In thousands of New Zealand dollars							
Non Exchange Revenue							
Levies Received	4	24,417	24,417	-	25,754	25,754	-
Other Non Exchange Income	4	5,224	1,900	3,324	2,300	2,300	-
Exchange Revenue							
Other income	4	1,929	1,929	-	2,008	2,008	-
Operating expenses	6	(33,277)	(27,937)	(5,340)	(32,591)	(28,723)	(3,867)
Net operating surplus/ (deficit) from operating activities		(1,707)	309	(2,016)	(2,528)	1,339	(3,867)
Net finance income	5	634	488	146	475	277	198
Impairment of Investment in Subsidiary Companies	11	(10)	(10)	-	(59)	(59)	-
Net operating surplus/ (deficit) for the year before income tax		(1,083)	787	(1,870)	(2,112)	1,557	(3,669)
Income tax expense	7	-	-	-	-	-	-
Net operating surplus/ (deficit) for the year		(1,083)	787	(1,870)	(2,112)	1,557	(3,669)
<i>Other comprehensive income</i>		-	-	-	-	-	-
Total comprehensive income for the year		(1,083)	787	(1,870)	(2,112)	1,557	(3,669)
Attributable to:							
Levy payers	13	787	787	-	1,557	1,557	-
Meat Education Fund		(494)	-	(494)	(457)	-	(457)
Special Reserves		(1,376)	-	(1,376)	(3,212)	-	(3,212)
		(1,083)	787	(1,870)	(2,112)	1,557	(3,669)

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 26.

Beef + Lamb New Zealand Limited*Consolidated Statement of Changes in Equity*

For the year ended 30 September 2017

	Group		Parent	
	Retained earnings	Total Equity	Retained earnings	Total Equity
In thousands of New Zealand dollars				
Balance at 1 October 2016	21,069	21,069	20,500	20,500
Total comprehensive revenue and expense				
Surplus/(Deficit) for the year	(687)	(687)	(1,083)	(1,083)
Total comprehensive income for the year	<u>(687)</u>	<u>(687)</u>	<u>(1,083)</u>	<u>(1,083)</u>
Balance at 30 September 2017	<u>20,382</u>	<u>20,382</u>	<u>19,417</u>	<u>19,417</u>

Beef + Lamb New Zealand Limited*Consolidated Statement of Changes in Equity*

For the year ended 30 September 2016

	Group		Parent	
	Retained earnings	Total Equity	Retained earnings	Total Equity
In thousands of New Zealand dollars				
Balance at 1 October 2015	23,590	23,590	22,612	22,612
Total comprehensive revenue and expense				
Surplus/(Deficit) for the year	(2,521)	(2,521)	(2,112)	(2,112)
Total comprehensive income for the year	<u>(2,521)</u>	<u>(2,521)</u>	<u>(2,112)</u>	<u>(2,112)</u>
Balance at 30 September 2016	<u>21,069</u>	<u>21,069</u>	<u>20,500</u>	<u>20,500</u>

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 26.



Beef + Lamb New Zealand Limited

Consolidated Statement of Financial Position

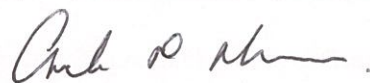
As at 30 September 2017

In thousands of New Zealand dollars		GROUP		PARENT	
	Note	2017	2016	2017	2016
EQUITY EMPLOYED					
Retained earnings	13	20,382	21,069	19,417	20,500
TOTAL EQUITY EMPLOYED		20,382	21,069	19,417	20,500
Represented by:					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		4,696	6,262	3,900	4,266
Trade and other exchange receivables	8	2,669	1,061	611	977
Non-exchange Receivables	8	1,819	2,159	1,785	2,245
Term Deposits	9	16,049	16,134	15,820	16,114
Derivative financial instruments	10	26	-	26	-
Advance to Subsidiary Company		-	-	950	-
TOTAL CURRENT ASSETS		25,259	25,616	23,092	23,602
NON-CURRENT ASSETS					
Property, plant & equipment		463	373	377	297
Intangible assets		210	118	210	118
Investments in subsidiary companies	11	-	-	1	20
Term receivables- Exchange		78	12	78	12
TOTAL NON-CURRENT ASSETS		751	503	666	447
TOTAL ASSETS		26,010	26,119	23,758	24,049
CURRENT LIABILITIES					
Trade and other payables		4,703	3,289	3,470	1,878
Derivative financial instruments	10	1	79	1	79
Deferred Revenue		-	163	-	109
Provisions	12	183	696	183	696
Employee entitlements		574	737	520	701
TOTAL CURRENT LIABILITIES		5,461	4,964	4,174	3,463
NON CURRENT LIABILITIES					
Lease Liabilities		167	36	167	36
Loans and Borrowings		-	8	-	8
Employee entitlements		-	42	-	42
TOTAL NON-CURRENT LIABILITIES		167	86	167	86
TOTAL LIABILITIES		5,628	5,050	4,341	3,549
NET ASSETS		20,382	21,069	19,417	20,500

J R Parsons
Chairman



A Morrison
Chairman Audit & Risk Committee



The Board of Directors authorised these financial statements for issue on 6 December 2017. This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 26.



Beef + Lamb New Zealand Limited

Consolidated Statement of Cash Flows

For the year ended 30 September 2017

In thousands of New Zealand dollars	GROUP		PARENT	
	Year 2017	Year 2016	Year 2017	Year 2016
OPERATING ACTIVITIES				
Cash was received from:				
Levy receipts	25,448	26,066	25,448	26,066
Receipts from customers including rental income	2,629	2,491	2,172	1,317
Government Grants	3,579	4,234	-	-
Interest received	668	778	643	732
Grant funding from New Zealand Meat Board	4,652	2,300	4,652	2,300
Realised Gain/ (Loss) on matured Foreign Exchange Contracts	(81)	68	(81)	68
Net GST Received/ (Paid)	40	(99)	5	27
	<u>36,935</u>	<u>35,838</u>	<u>32,839</u>	<u>30,510</u>
Cash was applied to:				
Payments to suppliers and employees	34,739	36,873	24,650	27,644
Payments to Subsidiary Company	-	-	3,216	3,240
Payments to Consortia	-	-	890	1,075
Payments to Industry Partner/Participant	3,381	2,443	3,381	2,443
Foreign currency translation adjustment	(19)	19	(19)	19
	<u>38,101</u>	<u>39,335</u>	<u>32,118</u>	<u>34,421</u>
Net cash flows from operating activities	(1,166)	(3,497)	721	(3,911)
INVESTING ACTIVITIES				
Cash was received from:				
Maturity of investments	27,664	22,620	27,644	22,500
Sale Of Livestock	-	16	-	-
Disposal of property, plant & equipment	2	14	2	14
Return of venturers' funds	-	-	9	-
	<u>27,666</u>	<u>22,650</u>	<u>27,655</u>	<u>22,514</u>
Cash was applied to:				
Purchase of property, plant & equipment	294	143	256	117
Purchase of intangible assets	186	117	186	77
Return of venturers' funds	8	-	-	-
Purchase of investments	27,578	19,614	27,350	19,614
	<u>28,066</u>	<u>19,874</u>	<u>27,792</u>	<u>19,808</u>
Net cash flows from/ (to) investing activities	(400)	2,776	(137)	2,706
FINANCING ACTIVITIES				
Cash was received from:				
	-	-	-	-
Cash was applied to:				
Shareholder Advance to Subsidiary company	-	-	950	-
Repayment of Loan	-	16	-	16
	<u>-</u>	<u>(16)</u>	<u>(950)</u>	<u>(16)</u>
Net cash flows used in financing activities	-	(16)	(950)	(16)
Net increase/ (decrease) in cash and cash equivalents	(1,566)	(737)	(366)	(1,221)
Add: Opening cash and cash equivalents	6,262	7,000	4,266	5,488
Closing cash and cash equivalents	4,696	6,263	3,900	4,267
CASH AND CASH EQUIVALENTS COMPRISE				
Cash at Bank	3,739	5,709	3,336	3,713
Short Term Deposits	393	-	-	-
Meat Education Fund Deposit	564	554	564	554
	<u>4,696</u>	<u>6,263</u>	<u>3,900</u>	<u>4,267</u>

This statement is to be read in conjunction with the accounting policies and notes on pages 7 to 26.

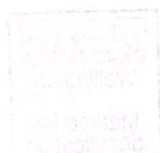


Notes to the Financial Statements

For the year ended 30 September 2017

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

1.	Reporting Entity	7
2.	Basis of Preparation.....	7
3.	Levy and Non- Levy Stream Performance	8
4.	Revenue and Other Income	13
5.	Finance Income and Expense	14
6.	Other Operating Expenses	15
7.	Income Tax Expense	15
8.	Receivables— Exchange Transactions	16
9.	Term Deposits	16
10.	Financial Instruments	17
11.	Investments in Subsidiaries, Associates and Joint Ventures.....	20
12.	Provisions	21
13.	Reserves and Retained Earnings.....	22
14.	Related Party Transactions and Balances	23
15.	Commitments	24
16.	Contingencies	25
17.	Events Occurring after Balance Sheet Date.....	25
18.	Reconciliation of Surplus/(deficit) to Net Cash Flow from Operating Activities.....	26



Notes to the Financial Statements

For the year ended 30 September 2017

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 11.

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.

The Commodity Levies Act 1990 does require reporting the balance sheet by red meat and wool levy streams. The wool levy stream is now exhausted. The balance in 2017 represents meat levy assets and liabilities only.

(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 also 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.

(d) Going concern

These statements have been prepared on a going concern basis. The September 2015 sheep and beef farmer referendum supported a new commodities levy order for sheepmeat and beef. The Commodities Levies (Meat) Order 2015 was made by Order in Council in December 2015. This order came into force on 22 February 2016 and expires no later than 21 February 2022.

(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.



Notes to the Financial Statements

For the year ended 30 September 2017

(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.

3. Levy and Non- Levy Stream Performance

The Following tables show the results by levy stream.

(a) Levy Stream Performance

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

(b) Non-Levy Stream Performance

The Statement of Non- Levy Stream Performance for Beef + Lamb New Zealand Ltd details the spend from special reserves and Meat Education Fund, that is, Non- Levy sources.

The special reserve comprises funds originating from Non- Levy sources, primarily the gain on sale of an associated company shareholding in March 2008.

The Meat Education fund was established with funds remaining from the wind-up of the Meat Industry Research Trust in 1991. The funds, and interest generated from this reserve, are to be applied to educational or research purposes. Beef + Lamb New Zealand Limited also funds additional education programmes from its normal operational expenditure.



Notes to the Financial Statements

For the year ended 30 September 2017

Beef + Lamb New Zealand Limited

Statement of Levy Stream Performance

For the year ended 30 September 2017

2017	Note	Beef	Sheepmeat	Total Meat	Wool	Total Levy Stream
In thousands of New Zealand dollars						
Income						
Levy Income		10,556	13,861	24,417	-	24,417
Grant Funding from New Zealand Meat Board	4	570	1,330	1,900	-	1,900
Finance Income	5	185	248	433	14	447
Fees	4	93	146	239	-	239
Other Income	4	741	949	1,690	-	1,690
Share of surplus/(deficit) of subsidiary and associate	11	(5)	(5)	(10)	-	(10)
Total income		12,140	16,529	28,669	14	28,683
Expenditure						
Market Development		2,060	2,116	4,176	-	4,176
Market Access		689	1,004	1,693	-	1,693
Research & Development		784	1,579	2,363	-	2,363
Extension		2,765	4,471	7,236	31	7,267
Environment		1,052	1,158	2,210	-	2,210
Information & Analysis		948	1,486	2,434	-	2,434
People & Capability		382	382	764	131	895
Administration		1,728	1,994	3,722	-	3,722
Beef & Lamb Genetics		858	2,002	2,860	276	3,136
Total operating expenditure		11,266	16,192	27,458	438	27,896
Parent Net operating surplus/ (deficit) for the year		874	337	1,211	(424)	787
Share of Operating surplus/ (deficit) of Research Consortium and Subsidiaries as reflected in Group Financial Statements						
Group Net operating surplus/ (deficit) for the year						396
						1,183

Notes to the Financial Statements

For the year ended 30 September 2017

Beef + Lamb New Zealand Limited

Parent Statement of Non - Levy Stream Performance

For the year ended 30 September 2017

2017	Note	Non-Levy Stream	Meat Education Fund	Total Non-Levy Stream
In thousands of New Zealand dollars				
Income				
Capital Funding from New Zealand Meat Board	4	3,324	-	3,324
Interest Income	5	117	29	146
Total income		3,441	29	3,470
Expenditure				
Red Meat Profit Partnership		3,377	-	3,377
Website Development		400	-	400
Organisational Re-design		402	-	402
Market Development Restructure		638	-	638
Leadership Grants		-	346	346
Scholarships		-	177	177
Total operating expenditure		4,817	523	5,340
Net operating surplus/ (deficit) for the year		(1,376)	(494)	(1,870)

Beef + Lamb New Zealand Limited

Notes to the Financial Statements

For the year ended 30 September 2017

Beef + Lamb New Zealand Limited

Parent Statement of Non - Levy Stream Performance

For the year ended 30 September 2016

2016	Note	Non-Levy Stream	Meat Education Fund	Total Non-Levy Stream
In thousands of New Zealand dollars				
Income				
Interest Income	5	140	58	198
Total income		140	58	198
Expenditure				
Red Meat Profit Partnership		2,367	-	2,367
Website Development		92	-	92
SIL Genetic Engine		150	-	150
Market Development Restructure		743	-	743
Targeted Programmes		-	30	30
Grants Leadership		-	351	351
MIRT Scholarships		-	134	134
Total operating expenditure		3,352	515	3,867
Net operating surplus/ (deficit) for the year		(3,212)	(457)	(3,669)



Notes to the Financial Statements

For the year ended 30 September 2017

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.



Notes to the Financial Statements

For the year ended 30 September 2017

Other Non-Exchange Income

In thousands of New Zealand dollars	Group		Parent	
	2017	2016	2017	2016
Research Revenue from Government	3,633	4,234	-	-
Grant funding from the New Zealand Meat Board	1,900	2,300	1,900	2,300
Capital funding from the New Zealand Meat Board	3,324	-	3,324	-
Total other income	8,857	6,534	5,224	2,300

Other Exchange Income

In thousands of New Zealand dollars	Group		Parent	
	2017	2016	2017	2016
Service recoveries	992	1,163	1,148	1,330
Other Income	2,227	1,542	781	678
Total other income	3,219	2,705	1,929	2,008

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 profit or loss. 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		Parent	
	2017	2016	2017	2016
Interest income on term deposits	532	428	531	622
Interest income on cash and cash equivalents	88	340	62	101
Unrealised foreign exchange gain/(loss) on overseas funds	-	(19)	-	(19)
Unrealised foreign exchange gain/(loss) on derivatives	41	(297)	41	(297)
Net realised foreign exchange gain/ (loss) on matured foreign currency derivatives	0	68		68
Net finance income	661	520	634	475

Notes to the Financial Statements

For the year ended 30 September 2017

6. Other Operating Expenses

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

The following items of expenditure are included in operating expenses:

In thousands of New Zealand dollars	Group		Parent	
	2017	2016	2017	2016
<i>Audit fees</i>				
Auditor's remuneration to KPMG comprises:				
– audit of financial statements	48	49	42	40
Total auditor's remuneration	48	49	42	40
Depreciation	191	241	163	197
Software amortisation	105	99	105	99
Rental expense relating to operating leases	652	808	540	779
Directors fees	359	360	315	296
Research and development expenditure	9,786	9,896	5,223	4,138
Total employee benefits	9,770	9,156	8,938	8,482

7. Income Tax Expense

The income tax expense charged to the consolidated and Parent income statement includes both the current year's expense and the income tax effects of temporary differences.

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.

In thousands of New Zealand dollars	Group		Parent	
	2017	2016	2017	2016
Surplus before tax	(687)	(2,727)	(1,083)	(2,320)
Prima facie tax @28%	(192)	(764)	(303)	(650)
Taxation effect of adjustments				
Adjustments for future tax benefits – recovery not probable	37	325	545	491
Utilised against unrecognised tax losses	155	439	(242)	159
Current taxation expense	-	-	-	-

Notes to the Financial Statements

For the year ended 30 September 2017

Unrecognised tax losses of \$73,701,384 (2016: \$69,357,226) 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.

8. Receivables— Exchange Transactions

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		Parent	
	2017	2016	2017	2016
Trade Receivables due from Related parties	-	-	56	49
Other Trade Receivables	2,425	594	314	462
Prepayments	80	254	78	253
Accrued interest	164	213	163	213
	<u>2,669</u>	<u>1,061</u>	<u>611</u>	<u>977</u>

Receivables— Non Exchange Transactions

In thousands of New Zealand dollars	Group		Parent	
	2017	2016	2017	2016
Levies Receivable	959	1,986	959	1,986
Government Grants Receivable	-	31	-	-
Venturers' Contributions Receivable	216	-	-	-
NZMB Grant Funding Receivable	572	-	572	-
Research Revenue Receivable	-	30	-	-
GST	72	112	69	74
Prepayments	-	-	185	185
	<u>1,819</u>	<u>2,159</u>	<u>1,785</u>	<u>2,245</u>

9. Term Deposits

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

In thousands of New Zealand dollars	Group		Parent	
	2017	2016	2017	2016
Current investments				
Fixed Interest Investments	16,049	16,134	15,820	16,114

Notes to the Financial Statements

For the year ended 30 September 2017

10. 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.

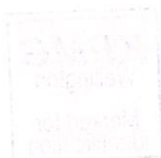
Interest rates used for determining fair value

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency forward exchange contracts are used to manage foreign currency exposure.

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.



Notes to the Financial Statements

For the year ended 30 September 2017

Quantitative disclosures**Credit risk**

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

The status of trade receivables at the reporting date is as follows:

There is no individual or collective impairment of debtors at balance date (2016: nil). All receivables balances are current.

Beef + Lamb New Zealand Limited also holds investments with various banks, all of which have a Standard & Poor's credit rating of AA- or higher as at 30 September 2017.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

Within the credit constraints listed above, the Group also seeks to:

- ensure that investments are negotiable and liquid;
- maximise investment return; and
- manage potential capital losses if investments need to be liquidated before maturity.

Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market. Currently these short-term investments are in bank deposits, not corporate bonds. The following table sets out the contractual cash flows for Forward Exchange Contracts. Trade and other payables are expected to all be settled within 6 months and cash flows from Loans are not considered material.

In thousands of New Zealand dollars

	Group & Parent				
	Balance sheet	Contractual cash flows	6 months or less	6-12 months	1-2 years
2017					
Forward exchange contracts					
Inflow	26	601	393	208	-
Outflow	(1)	(576)	(372)	(204)	-
2016					
Forward exchange contracts					
Inflow	-	1,072	645	427	-
Outflow	(79)	(1,151)	(705)	(446)	-



Notes to the Financial Statements

For the year ended 30 September 2017

Interest rate maturity

In thousands of New Zealand dollars:

	2017			2016		
	Total	6 months or less	6-12 months	Total	6 months or less	6-12 months
Group						
Held-to-maturity investments	16,049	14,049	2,000	16,134	13,634	2,500
Parent						
Held-to-maturity investments	15,820	13,820	2,000	16,114	13,614	2,500

Capital management

The Group's capital includes accumulated funds, reserves, retained earnings, minority interests and the Meat Education Fund. 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 2015.

Beef + Lamb New Zealand Limited has complied with these requirements throughout the reporting period, and actively monitors compliance through a formal legislative compliance programme, the results of which are reported to the Board on a monthly basis.

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. 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.

Beef + Lamb New Zealand Limited maintains the Meat Education Fund where the income generated and small capital payments are used to fund industry-related educational scholarship programmes. This is a capital fund that is invested over the longer term and is not required for operational liquidity purposes.

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

Sensitivity analysis

In managing currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Investments are currently all in term deposits with a maturity of one year or less, in anticipation of rising interest rates in 2018. Over the longer term, however, permanent changes in foreign exchange and interest rates will have an impact on profit.

It is estimated that a decrease of one percent in the value of the New Zealand dollar against other foreign currencies would have increased the Group's loss before income tax by approximately \$1,673 for the year ended 30 September 2017 (2016: \$29,421). The impact of forward exchange contracts has been included in this calculation.



Notes to the Financial Statements

For the year ended 30 September 2017

11. 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 income statement. 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 Statement of Recognised Income and Expense. In the balance sheet, 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 and are as follows:

100%	B+LNZ PGP Co Limited – a non– trading company.
100%	B+LNZ Genetics Limited – a trading company operating all Beef + Lamb New Zealand Limited sheep and beef genomics, central progeny testing and sheep improvement (SIL) activities. This sheep genomics research was previously operated by Ovita Limited– (50% owned with AgResearch Limited).
100%	Primary Resources Limited – a non-trading company.
100%	B+LNZ Emissions Company Limited – a research investment company. B+LNZ Emissions Company Limited holds an interest of 16.34% in Pastoral Greenhouse Gas Research Consortium. The balance date of Pastoral Greenhouse Gas Research Consortium is 30 June. The 12 months to 30 September 2017 include three months of unaudited results from the management accounts.
100%	B+LNZ Investments Limited – a holding company. B+LNZ Investments Limited has one subsidiary, B+LNZ Clover Company Limited (100%), which holds an interest of 26.22% in Pastoral Genomics Research Consortium. The balance date of Pastoral Genomics Research Consortium is 30 June. The unaudited results for the three-month period to 30 September 2017 are included in the consolidated financial statements.



Notes to the Financial Statements

For the year ended 30 September 2017

100%	B+LNZ Johnesco Limited – a research investment company. B+LNZ Johnesco Limited holds an interest of 20% in the Johnes Disease Research Consortium. The balance date of the Johnes Disease Research Consortium is 30 June. The consortium ceased in June 2017.
45.5%	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. The Group 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.

(a) Movements in investments

(i) The following movements in investments occurred during the financial year:

In thousands of New Zealand dollars	Group		Parent	
	2017	2016	2017	2016
Investment in B+LNZ Johnesco Limited				
- Impairment	-	-	10	59
Total movement	<u>-</u>	<u>-</u>	<u>10</u>	<u>59</u>

As at 30 September 2017, the parent performed an impairment test on the investments in subsidiary companies and where necessary, has written them down to their fair values.

12. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive revenue and expense net of any reimbursement.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publically. Further operating losses are not provided for. The restructuring provision includes employee related provisions.

During early 2017, Beef + Lamb New Zealand undertook a refresh of its organisational structure. A number of staff positions were changed or disestablished and new positions also created.

This restructure is still in progress at balance date, therefore, the Group has recognised a provision of \$183,329 for expected restructuring costs which include costs for employee termination benefits. Estimated costs were based on the terms of the relevant contracts. The restructuring is expected to be completed by 30 November 2017.



Notes to the Financial Statements

For the year ended 30 September 2017

13. 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.

(ii) Meat Education Fund

This fund was established with funds remaining from the wind-up of the Meat Industry Research Trust in 1991. The funds, and interest generated from this reserve, are to be applied to educational or research purposes. Beef + Lamb New Zealand Limited also funds additional education programmes from its normal operational expenditure.

(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	Retained Earnings	Total Equity
Balance at 30 September 2017:		
- Levy payers		
Meat	17,284	17,284
Wool	-	-
- Meat Education Fund	674	674
- Special Reserves	2,424	2,424
	20,382	20,382
Balance at 30 September 2016:		
- Levy payers		
Meat	15,677	15,677
Wool	424	424
- Meat Education Fund	1,168	1,168
- Special Reserves	3,800	3,800
	21,069	21,069

Notes to the Financial Statements

For the year ended 30 September 2017

14. Related Party Transactions and Balances**(a) Transactions and balances with subsidiaries, joint ventures and industry partners**

\$000	2017		2016	
	Funding Provided by BLNZ	BLNZ Receivable / (Payable)	Funding Provided by B+LNZ	BLNZ Receivable / (Payable)
B+LNZ Genetics Ltd	(3,166)	(912)	(2,920)	18
Pastoral Greenhouse Gas Research Consortium	(370)	20	(370)	19
B+LNZ Investments Limited – Pastoral Genomics Limited	-	7	(520)	4
Johne's Disease Research Consortium	-	-	-	12
Red Meat Profit Partnership Ltd	(3,324)	28	(2,292)	32

As at 30 September 2017, B+LNZ advanced \$950,000 to B+LNZ Genetics Ltd, which was paid back in October. There is no funding owed to/(by) any subsidiaries, joint ventures nor associated parties. In 2016, there was no funding owed to/(by) any subsidiaries, joint ventures nor associated parties.

Red Meat Profit Partnership Limited Partnership

Sam McIvor (A), George Tatham and Cros Spooner (R) are 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 2017 financial year was \$3,323,970. (2016:\$2,291,954).

(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.

	2017	2016
In thousands of New Zealand dollars		
Service fee: overseas offices	326	701

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 2017 financial year was \$5,223,970 (2016:\$2,300,000).

Notes to the Financial Statements

For the year ended 30 September 2017

At balance date, the New Zealand Meat Board owed Beef + Lamb New Zealand Limited \$51,529 for expenses incurred on their behalf (2016: \$37,184) and \$572,305 for Grant funding (2016: \$nil).

Beef + Lamb New Zealand Incorporated

James Parsons and Sam Lewis 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 2017 financial year was \$700,000 (2016: \$1,350,000). Beef + Lamb New Zealand Limited also paid \$131,624 for other work in 2017 (2016: \$112,186).

Key management personnel compensation and other transactions

Key management personnel compensation for the year ended 30 September 2017 and 2016 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	2017		2016	
	Remuneration	Number	Remuneration	Number
In thousands of New Zealand dollars				
Directors	315	9	293	8
Senior Executive Team	2,631	15	2,576	16

Directors receive fees as disclosed in the Statutory Disclosures. The Senior executive team are on a standard employee contract.

15. 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		Parent	
	2017	2016	2017	2016
Within 1 year	1,067	764	1,039	736
Within 1-2 years	742	632	714	605
Within 2-5 years	1,581	1,568	1,498	1,485
Later than 5 years	478	694	404	593



Notes to the Financial Statements

For the year ended 30 September 2017

Funding and contractual commitments

Beef + Lamb New Zealand Limited is committed to contribute funding to Pastoral Genomics Research Consortium, B+LNZ Genetics Ltd, Pastoral Greenhouse Gas Research Consortium, Johne's Disease Research Consortium and Red Meat Profit Partnership.

In thousands of New Zealand dollars	Group		Parent	
	2017	2016	2017	2016
Within 1 year	12,996	10,355	8,534	9,300
Within 1-2 years	5,059	5,445	5,059	8,335
Within 2-5 years	2,980	8,902	2,980	8,902
Later than 5 years	-	370	-	370

In addition to above, the New Zealand Meat Board has made grant funding available to Beef + Lamb New Zealand Limited from capital of up to \$10 million for the Red Meat Profit Partnership following approvals at the 2013 Beef + Lamb New Zealand Limited annual meeting and a consultation process with livestock farmers.

Other contractual commitments

As at 30 September 2017, nil contractual commitments existed for overseas offices (2016: \$nil).

Capital commitments

There are no capital commitments as at 30 September 2017 (2016:\$ nil).

16. Contingencies

There are no contingencies.

17. Events Occurring after Balance Sheet Date

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



Notes to the Financial Statements

For the year ended 30 September 2017

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

	Group		Parent	
	2017	2016	2017	2016
In thousands of New Zealand dollars				
Reported surplus/ (deficit) after taxation	(687)	(2,521)	(1,083)	(2,112)
Add/(less) non-cash items:				
– Depreciation	190	241	165	197
– Write off of patents and trademarks	-	-	-	-
– Software amortisation	105	99	105	99
– Fair value movement in derivatives	(104)	297	(104)	297
– Lease incentive amortisation	-	1	-	1
– Amortisation of Lease Liabilities	-	(7)	-	(7)
– Increase/(decrease) in provisions for non-current employee benefits	(42)	-	(42)	-
– Increase/(decrease) in Restructuring provision	(513)	696	(513)	696
– (Increase)/ decrease in term receivables	(66)	78	(66)	78
– Increase/(decrease) in short-term employee entitlements	(163)	(95)	(181)	(91)
– Impairment of investment in subsidiaries	-	-	-	59
	(593)	1,310	(636)	1,329
Add/(less) movements in other working capital items:				
– (Increase)/ decrease in accounts receivable exchange	(1,608)	(627)	826	(1,006)
– (Increase)/ decrease in accounts receivable non exchange	340	-	-	-
– Increase/(decrease) in accounts payable	1,414	(1,722)	1,592	(2,166)
– Increase/(decrease) in accrued lease incentive	131	(73)	131	(65)
– Increase/(decrease) in deferred income	(163)	135	(109)	109
	114	(2,287)	2,440	(3,128)
Add/(less) items classified as investing or financing activities:				
Net cash flows from operating activities	(1,166)	(3,498)	721	(3,911)

Statutory Disclosures

For the year ended 30 September 2017

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.

Remuneration Range (\$,000)	Number of Employees		
	2017		2016
	Continuing	Discontinued	
100-109	8	-	3
110-119	1	-	2
120-129	4	-	3
130-139	2	-	3
140-149	1	-	2
150-159	2	-	-
160-169	2	-	2
170-179	2	-	2
180-189	1	-	1
190-199	1	-	2
200-219	-	1	-
220-229	1	-	1
260-269	-	-	-
270-279	1	-	1
280-289	1	-	-
310-320	-	2	-

The Honoraria, Remuneration & Expense Committee of the company's Board approves the company's remuneration policy.



Statutory Disclosures

For the year ended 30 September 2017

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 11 to the Financial Statements.

All of the Directors of Beef + Lamb New Zealand Limited are directors of the New Zealand Meat Board and Meat & Wool Trust Ltd.

S Lewis and M Clarkson declared interests in meat exporting companies who were recipients of joint venture funding from Beef + Lamb New Zealand Limited market development joint funded programmes.

M Clarkson declared interests in meat processing and exporting companies who are partnering Beef + Lamb New Zealand Limited in the Red Meat Profit Partnership.

Board of Directors Fees

	2017 (\$000)	2016 (\$000)
Chairman	69	68
Deputy Chairman	42.7	-
Directors	32.7	32.3
Beef + Lamb NZ Genetics Ltd (Group Only)		
– Independent Chairman	35	35
– Independent Directors	15	15

The above fees represent the annualised fees payable to Directors. Beef + Lamb New Zealand Limited pay no other fees to Directors for their representation on subsidiary or other related organisations.

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.

Statutory Disclosures

For the year ended 30 September 2017

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 2017. 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.

B+LNZ Biologics Company Ltd	Sam Mclvor
B+LNZ Clover Company Ltd	Sam Mclvor
B+LNZ Emissions Company Ltd	Sam Mclvor
B+LNZ Investments Ltd	Sam Mclvor
B+LNZ Johnesco Ltd	Sam Mclvor
B+LNZ PGP Ltd	Sam Mclvor
Primary Resources Ltd	James Parsons
B+LNZ Genetics Ltd	Chris Kelly (Chairman), Leon Black, Bob Thompson, Greg Murison, Richard Wakelin (R), James Parsons (A)
Meat and Wool Trust Ltd	Kirsten Bryant, Melissa Clark-Reynolds (A), Mark Clarkson, Sam Lewis, Andrew Morrison, James Parsons, George Tatham, Philip Smith, Bill Wright
Red Meat Profit Partnership General Partner Ltd.	Malcolm Bailey, Graham Brown, Graham Cooney (R), Alan McDermott (A), Sam Mclvor (A), Jane Smith, George Tatham, Cros Spooner (R), Bob Cottrell, Wayne Allan
Johne's Disease Research Ltd	Richard Wakelin
Pastoral Genomics Ltd	George Tatham (R), Bill Wright (A)
Pastoral Greenhouse Gas Research Ltd	Andrew Morrison

