



# Annual Report

WAMMCO INTERNATIONAL

30 JUNE 2024

This financial report covers the activities of Western Australian Meat Marketing Co-operative Limited, a co-operative limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

1<sup>st</sup> Floor Fraser Suites  
Unit 1/3 De Vlamingh Ave,  
East Perth WA 6004

## ACKNOWLEDGING OUR BEST

### WAMMCO PRODUCER OF THE MONTH WINNERS 2023-24

<b>JULY 2023</b>	Not awarded – plant maintenance shut down			
<b>AUGUST 2023</b>	White Family Trust	Michael & Marie White	Tambellup	98.80%
<b>SEPTEMBER 2023</b>	PT & IM Jensen & Son	Peter, Isla, Craig & Rachael Jensen	Pingaring	98.13%
<b>OCTOBER 2023</b>	Kirralee Farming	Lindsay & Nigel Lange	Pingelly	99.40%
<b>NOVEMBER 2023</b>	Mt Ferguson Grazing Co	Brad & Kristen Skraha (Managers)	Boyup Brook	96.75%
<b>DECEMBER 2023</b>	SK & TR Angwin	Steven Angwin	Wagin	92.70%
<b>JANUARY 2024</b>	Highdenup Farms	Gary, Nola, Will, Stevi, George & Elenna Bungey	Borden	100.00%
<b>FEBRUARY 2024</b>	Cootarring Grazing	Nathan Walker	Narrogin	97.90%
<b>MARCH 2024</b>	JD & TC Alexander	Jim & Tim Alexander	Beverley	95.14%
<b>APRIL 2024</b>	I & C McCallum	Ian McCallum	Esperance	95.56%
<b>MAY 2024</b>	Roundpool Farming Trust	Ian Garstone	Woodanilling	96.70%
<b>JUNE 2024</b>	B & TC Lamont	Ben & Tracey Lamont	Tambellup	93.69%

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# Chairman's Report

Collectively, the Western Australian Meat Marketing Co-operative Limited (WAMMCO) and Southern Meats, in Goulburn, New South Wales, have enjoyed another pleasingly profitable processing year.

Stability of labour and high levels of stock to procure have meant the businesses have somewhat been able to counter shrinking margins with significant increases in volume. Led by Chief Executive Officer Coll MacRury, management and staff at both operations are

to be congratulated on their achievements to once again drive productivity to increase returns to shareholders.

The team's efforts and results have been reflected in the record bonus paid in August. The decision to pay this historically high bonus was not taken lightly at Board level. It factored in both the capacity and pricing issues our members had faced over the processing year, along with the future needs of the business. While wanting to both reward and offer ongoing confidence to growers, we needed to remain cognisant of the businesses' future capital requirements in order to increase capacity.





D.T. O'Keefe - Chairman

The Board of WAMMCO is committed to the long-term success and sustainability of the Co-operative.

Added to this is an awareness that margins are likely to tighten into the new year as some markets remain sticky, and there may be more difficulty with stock procurement on both sides of the country as flock numbers change. It is the Board's planned strategy that we continue to reward growers with trading rebates and also continue with our longer term strategy of increasing capacity at Katanning to ensure our stakeholders have a profitable industry in the years ahead.

I regretfully acknowledge the passing of our Chair, Dr Craig Heggaton, in July. Craig's contribution to the Co-operative was immense and his passion for the whole industry unparalleled. Craig joined the WAMMCO Board in 2009 and was promoted to Chairman in 2015. He was a thoughtful and considered leader, and his impact on those of us who remain at the board

table will endure. Our thoughts, as always, remain with Craig's wife Liz and the family.

The Board of WAMMCO is committed to the long-term success and sustainability of the Co-operative. We will continue to prosecute the best way forward to ensure our members, staff and the business as a whole will remain at the forefront of the processing sector in Western Australia.

A handwritten signature in black ink, appearing to read 'D. O'Keefe', with a long horizontal flourish extending to the right.

**D.T. O'KEEFFE**

*Chairman*

14 August, 2024

Perth WA

# Chief Executive's Report

## OVERVIEW

The Western Australian Meat Marketing Co-operative Limited (WAMMCO) continued to perform strongly for all shareholders in what was a highly challenging international market for most of the 2023/24 season. This, combined with the particularly dry conditions that Western Australia (WA) experienced through the spring and summer periods, meant we were under enormous pressure to process and market high volumes of lamb and mutton products.

WAMMCO staff worked significant amounts of overtime to try to keep up with producer bookings. Inevitably, there were a few issues with processing some producers' requirements on time. This, like the previous season, placed great pressure on staff to perform; however, I was proud of the WAMMCO team and the way staff managed the volume of stock, including our ability to market this extra product around the world.

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As we moved into the spring, lamb returns reduced to the lowest levels we have seen for many years in WA. World markets were awash with product and the macroeconomic situation in many of our key markets was deteriorating. However, as the season moved into the new calendar year, small international market gains were achieved and this assisted our margins.

Meat, skin and by-product markets hadn't recovered much from the previous season lows, which certainly did not help our overall revenues during the spring period.

The Co-operative continued to trade well through The Lamb Company, our North American investment. WAMMCO's strategy over the past 15 years has been to develop the premium chilled-lamb retail sector in North America, and this continued to pay strong dividends over the last 12 months. Our in-market processing facilities in one of the largest and wealthiest markets in the world protected the company from being a second-tier 'price-taker'.



Having the ability in-market to manage day-to-day orders and specifications for some of the world's leading supermarket chains meant we could keep our revenues robust and pass back healthy returns to our producer members.

The Co-operative continued to receive strong producer member support throughout the season. This will be particularly important looking ahead as we continue to strategically place our premium cuts into high-value markets around the world – including in the important market segment for attribute-based products that appeal to health, food safety and animal welfare demands and expectations.

Western Australia experienced difficult weather patterns for much of the spring and summer in the 2023/24 season. The especially hot and dry periods placed added pressure on both our farmer producers and processing plant.

Staff worked long hours throughout the season, enabling greater throughput, which helped ease our producer waiting list. In WA, the Katanning plant drove record kills through the entire season as we focused heavily on processing high numbers of livestock. WAMMCO has never processed as much livestock in one season as it did in the 2023/24 period. In fact, the Co-operative processed more than 100,000 head more than the previous season, which was at the time a record performance.

The eastern states facility in Goulburn, New South Wales, performed strongly in the first six months of the 2023/24 season. Solid numbers of stock were processed and this helped underpin overall business performance. Although strong numbers were also processed during the second half of the season, margins tightened significantly

as international market pricing deteriorated and livestock prices increased substantially.

WAMMCO is looking for further productivity gains from the Goulburn facility in the 2024/25 season with the addition of new shoulder-pulling technology on the kill floor. We expect to lift processing speeds by two to three carcasses per minute with this technology, which is vital for the ongoing success of the business.

**WAMMCO has never processed as much livestock in one season as it did in the 2023/24 period. In fact, the Co-operative processed more than 100,000 head more than the previous season, which was at the time a record performance.**

In WA, average lamb weights processed by WAMMCO were down, from 24.41 kg last year to 22.68 kg. This was largely due to the long, dry spring and summer the state experienced last season. The Co-operative aims to help producers to continue to supply lambs across a broad weight range, including the lighter weight 18 kg to 24 kg bracket and the heavyweight 24 kg to 28 kg range.

WAMMCO consistently delivers producers the highest lamb pricing in WA throughout the season and 2023/24 was no exception. With the announcement of the record rebate for last season, WAMMCO stands alone when it comes to lamb pricing in WA.

## FINANCIAL

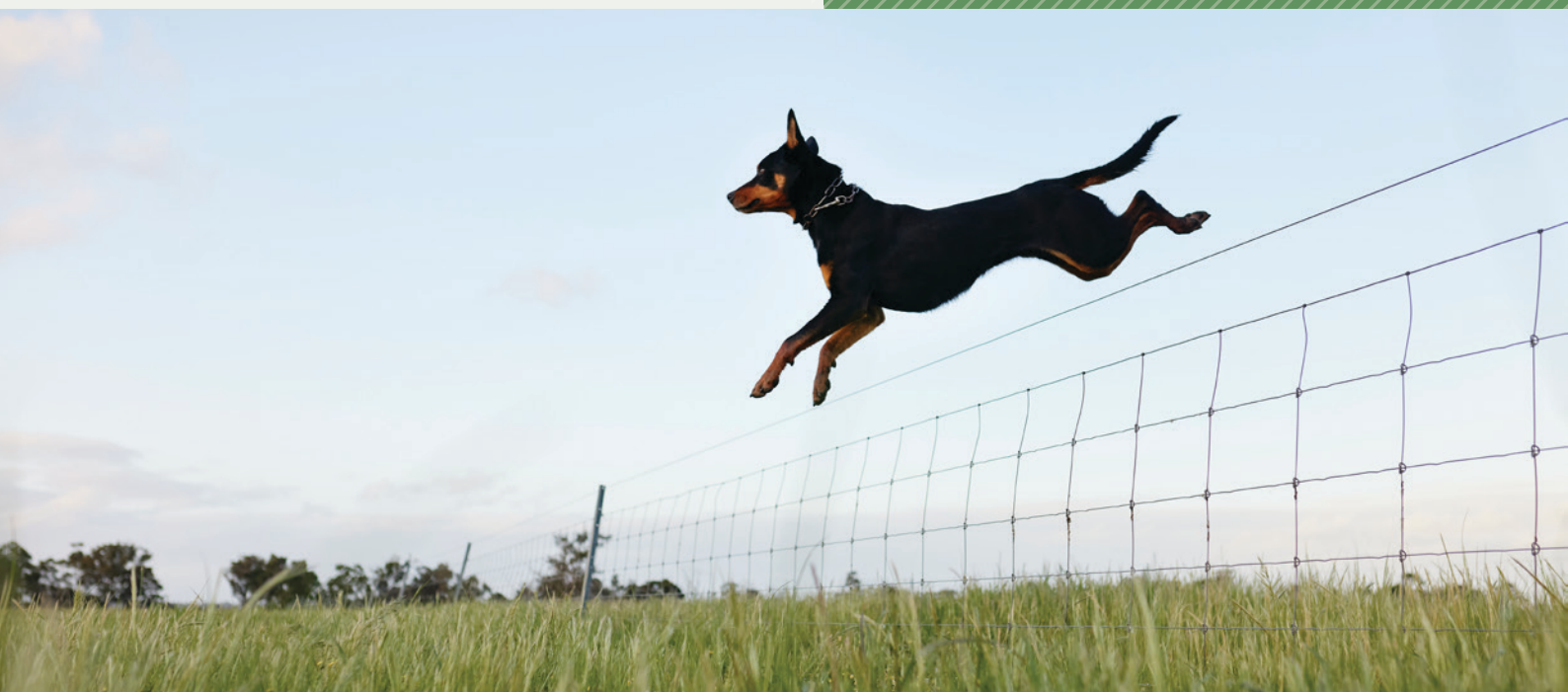
WAMMCO continued to perform strongly and profitably throughout the 2023/24 season and recorded its second most profitable season in its history. A pre-tax net profit (before pool bonus) of A\$44.1 million was recorded for the 2023/24 financial year. This is another outstanding result from the Co-operative – and evidence of the ongoing success of the WAMMCO model.

Turnover reduced to A\$430 million – a 8.7% decrease compared with our prior season – which depicts the subdued international pricing we experienced throughout the majority of the season.

EBITDA (earnings before interest, pool bonus, tax, depreciation and amortisation) of 11.8% was again exceptional and is extremely difficult to achieve in the meat-processing industry. The Co-operative continues to maintain a solid balance sheet, with shareholder funds at year-end standing at A\$152 million. This provides an equity ratio of 67%.



**THE CO-OPERATIVE CONTINUES TO MAINTAIN A SOLID BALANCE SHEET, WITH SHAREHOLDER FUNDS AT YEAR-END STANDING AT A\$152 MILLION.**





## POOL BONUS DISTRIBUTION

The board and senior management at WAMMCO determined it was important to significantly reward our loyal shareholders, given the extremely challenging business and climatic conditions that existed in WA throughout the 2023/24 season. WAMMCO will pay a pool bonus of A\$21.8 million in August 2024. The payout is well deserved for the Co-operative's shareholders, who committed their quality stock to WAMMCO during the financial year.

We are delighted to announce that the Co-operative has seen producer members receive an outstanding A\$61.35 million in pool bonuses over the past 11 seasons.

WAMMCO continues to innovate in international markets and develop world-class food processing plants that deliver superior lamb products to national and international markets. Ongoing success and profits can only be achieved with the ongoing support of our producer members.

### Pool bonuses paid since 2014

Year Paid	Basis	Bonus Paid (AUD)	Average Per Kg
2014	50c/kg qualifying lamb, 25c/kg qualifying mutton	\$3,600,000	\$0.47
2015	40c/kg qualifying lamb, 20c/kg qualifying mutton	\$3,600,000	\$0.37
2016	20c/kg qualifying lamb, 10c/kg qualifying mutton	\$2,350,000	\$0.19
2017	20c/kg qualifying lamb, 10c/kg qualifying mutton	\$2,250,000	\$0.19
2018	50c/kg qualifying lamb, 25c/kg qualifying mutton	\$4,300,000	\$0.47
2019	30c/kg qualifying lamb, 15c/kg qualifying mutton	\$2,750,000	\$0.28
2020	20c/kg qualifying lamb, 10c/kg qualifying mutton	\$2,000,000	\$0.19
2021	20c/kg qualifying lamb, 10c/kg qualifying mutton	\$2,000,000	\$0.19
2022	80c/kg qualifying lamb, 40c/kg qualifying mutton	\$8,400,000	\$0.76
2023	60c/kg qualifying lamb, 30c/kg qualifying mutton	\$8,300,000	\$0.55
2024	\$1.20/kg qualifying lamb, 60c/kg qualifying mutton	\$21,800,000	\$1.08
<b>Total</b>		<b>\$61,350,000</b>	

To qualify for pool bonus distribution members' lambs must be traded over the hooks (weight and fat score) at our weekly schedule, or on forward contracts.

## MARKETS

As the new season commenced in July 2023 international markets started to show signs of softening. This was an unusual development at that time of year, as it is normally a period when markets are setting themselves up for the new season and their inventory levels begin to deplete. It should be a time when we can book forward business at some of the best pricing for the season; however, the opposite occurred last season. Sheep and lamb inventories were not moving quickly and world economies were hit with high inflation, leading to high interest rates, which in turn reduced consumer spending in many of our key markets.

The major logistical issues we experienced around shipping over the previous two seasons improved in the 2023/24 season, despite needing to continue to truck some of our chilled sea freight to the east coast to meet key North American customers' needs. Some key clients also required large volumes of airfreight chilled lamb cuts and we were able to meet the demand with the extra lamb numbers we were processing through the plant.

As the new season commenced in July 2023 international markets started to show signs of softening... world economies were hit with high inflation, leading to high interest rates, which in turn reduced consumer spending in many of our key markets.



North America remained the number one lamb market by value. WAMMCO's major investment in The Lamb Company continued to prove beneficial, facilitated by solid retail sales throughout the season. Our three value-added processing plants in North America were fully operational, and this has enabled us to react and respond to our customers'/supermarkets' requests efficiently. Retail sales boomed and most of our product sold into those channels. With the cost of dining out increasing substantially in the United States (US) and Canada over the past 12 to 18 months, consumers were prepared to try cooking more at home, with younger millennials now keen to try lamb, as it is seen as a healthy and natural alternative to some other meal options. This premium chilled market continues to show strong demand for attribute-based products such as those with antibiotic-free, grass-fed and pasture-raised characteristics.



The Middle East is a strategically important market for WAMMCO. Prices have historically been in the top tier of our market mix, but it can be a more seasonal market when summer temperatures rise and the need for large volumes of lamb declines. Overall, the Middle East has remained consistent and steady throughout the 2023/24 season, and WAMMCO continues to have great brand appeal in this market.

Chinese market pricing was subdued for the entire 12 months of the 2023/24 financial year. The Chinese economy was at its lowest ebb for many years, and although high volumes of product could still be sold into this market, prices were significantly lower than previous highs. Inventories of sheep and lamb remained high for the entire season in China. It meant we had to manage our product mix carefully into

this market. However, with the lack of other strong international options for our second-tier cuts and trimmings, WAMMCO has to remain prepared to direct product into China. No other market comes close to China for moving bulk product, so we wait and hope to again see steady improvement in this region, in the new season.

The skin market in China improved marginally compared to the prior season. The Chinese Government regulations are still adversely influencing the skin business as is the continuing war between Russia and Ukraine. Many skin operators in China own processing plants in Russia and frequently transport skins into the country for processing and marketing. The Russian focus on war has curtailed this cross-border business, which means prices will remain pressured until there is a level of normality restored.



At the time of writing, political tensions between the Chinese and Australian governments have eased, with several plants granted the return of their Chinese processing licenses. WAMMCO requires market access to China, as do most primary industry sectors in Australia. It cannot be overstated how important this market is for keeping producer returns at reasonable levels going forward.

The European market continues to provide WAMMCO with significant chilled lamb sales opportunities at Christmas and Easter. The WA lamb weights are ideal for this market and provide a competitive advantage over our eastern states processor competitors. Quality, however, must be first class, in keeping with our brand attributes. We are currently placing greater focus on Europe, particularly the improving opportunities in the United Kingdom where we expect to see some future developments for our product in the years ahead.

In the supply to global markets, WAMMCO's Katanning and Goulburn operations remain leaders among Australian lamb and mutton exporters. The international market recognises the quality we produce and provides excellent brand support.

The impact of an extremely challenging international market environment was somewhat softened by the depreciation of the Australian dollar against the US dollar during the past 12 months of operation. WAMMCO operated between A\$0.6238 and A\$0.6886 to the US dollar throughout the season, with an average rate of A\$0.6546. This was 2.7% lower than our average operating rate in the 2022/23 season.



**IN THE SUPPLY TO GLOBAL MARKETS, WAMMCO'S KATANNING AND GOULBURN OPERATIONS REMAIN LEADERS AMONG AUSTRALIAN LAMB AND MUTTON EXPORTERS.**

As we moved through the season we were able to upskill our workforce, which saw increased productivity during the busy second half of the season.

## OPERATIONS

The Katanning plant performed strongly for the entire 2023/24 processing season. Solid and consistent levels of stock throughput during the 12 months period ensured the plant's successful and efficient operations throughout the season.

Katanning again completed large amounts of overtime during the season's peak periods, processing on all compulsory Saturdays prior to Christmas. Following Christmas, staff were also able to work a number of voluntary Saturdays and maintained weekly overtime throughout the season. This helped offset some pressure on producers and meant the Co-operative was at maximum processing levels for the entire season. Katanning processed 1,108,000 head of sheep and lamb in the 2023/24 season, which was a substantial increase on any previous season.

Given our goal to lift processing numbers and operational flexibility in the years ahead, we are progressing with key projects around a new ovine processing line, cold chain expansion, extra accommodation and improved container-loading ability. These projects will futureproof the Katanning plant, allowing also for improvements to profitability when opportunities present themselves.

In Goulburn, Southern Meats had another highly successful year. Strong processing numbers throughout the season enabled the business to flourish. The first half of the season was exceptionally strong, and Goulburn's powerful and efficient mutton-processing operation thrived on heavy mutton during the spring months. Once the east coast lamb kill increased, we were able to lift throughput to new record levels, which was vital in satisfying customer demand.

The Katanning and Goulburn plants continue to achieve excellent records in ongoing food safety audits

We recently engaged solar development company SCS Australia (following a tender process) to build a 2MW solar farm at the Katanning processing plant. This will help to reduce our future exposure to the increasing costs of electricity and to better manage our carbon footprint into the future.

We are looking further ahead, with the potential development of a commercial natural-fertiliser facility that would be linked to the Katanning process. While it is early days, we believe the project could be a win/win opportunity with the right commercial partner.

## OUTLOOK

Latest industry analysis suggests that sheep flock numbers in WA have dropped further and are in the vicinity of 10.5 million head (13.0 million in 2023). We know that the early spring lamb season is going to run a little later than normal in WA, due to the drier conditions throughout last autumn.

WAMMCO's geographical diversity (east and west coast plants) and major international market investments will ensure all stakeholders are well catered for.

Lamb and sheep numbers are expected to decline on the east coast in the 2024/25 season. Farmers generally continued to experience good growing conditions through the autumn months, but it is likely we will see a small decline in lamb numbers and a major decline in mutton numbers, due to the large mutton kills in the previous two seasons.

We expect the season ahead to be more positive for our producer members, as world markets are challenged to lift product prices to offset livestock supply pressure.

Data suggests that the 2024/25 lamb numbers in New Zealand will drop a further 700,000 head. Ongoing impediments around 'use of land and environmental factors' have contributed to this predicted reduction – which offers potential increased market share for WAMMCO as our production expands in future years.





Our continued focus on product quality will ensure our lamb and mutton brands remain at the top of consumers' shopping lists.

North America, the Middle East, South-East Asia, China, the UK and the European Union will continue to offer WAMMCO the best opportunities for lamb and mutton returns in the 2024/25 season. Our continued focus on product quality will ensure our lamb and mutton brands remain at the top of consumers' shopping lists.

The Co-operative's major investment in North America in The Lamb Company with three of the largest New Zealand meat processing companies will continue to offer opportunities far beyond the ability we would have on our own in that market. This important co-marketing and processing arrangement is forecast to achieve further significant growth over the next five years. The Lamb Company will continue to provide a major source of top-line revenue that will deliver higher returns for our WAMMCO producer shareholders.

We will push forward with further major investment in the WA sheep and lamb industry. Building long-term resilience, flexibility and profitability into the Katanning operation through strategic investment is imperative for the continued success of the Co-operative.

WAMMCO continues to support our progressive farmer producer members with advice around the use of genetics, technology and general animal management to lift farm performance. We see this support as essential for the Co-operative to also continue lifting its own overall performance.

We expect the season ahead to be more positive for our producer members, as world markets are challenged to lift product prices to offset livestock supply pressure. The Co-operative expects that business profitability will be more challenging as margins become tighter; however, we believe we are well positioned to endure this testing business environment better than many of our competitors.



**C.R. Macrury**

*Chief Executive*

14 August 2024  
Perth WA

# Directors' Report

Your Directors present their report on the Co-operative for the year to 30 June 2024.



Back row (left to right): Mark Lucas, Bradley Ipsen, Tom Lynch, Kim Hutchinson, Bruce Ede (CFO).  
Front row (left to right): Coll MacRury (Chief Executive), Craig Heggaton, Bill O'Keeffe.

## DIRECTORS

The following persons were directors of the Co-operative during the whole of the financial year and up to the date of this report:

- BILL O'KEEFFE
- KIMBLEY HUTCHINSON
- BRADLEY IPSEN
- TOM LYNCH
- MARK LUCAS
- CRAIG HEGGATON

Passed away on 3 July 2024

## PRINCIPAL ACTIVITIES

The Co-operative's principal continuing activities during the year consisted of meat and meat product manufacturing, marketing and exporting.



## REVIEW OF OPERATIONS

The result reflected in the consolidated statement of profit or loss and other comprehensive income on page 19 is due to:

- a. a \$21.8mil pool bonus payout to members;
- b. decreases in revenues across both plants during the year, with prices falling as high inflation in major markets, ongoing conflict and a struggling economy in China dampened demand;
- c. our investment in the Lamb Co-ops in North America again proved invaluable in boosting the revenues for our high value chilled cuts, partly offsetting the lower revenues across the balance of the carcass;
- d. higher lamb margins in the first half of the year as livestock prices fell;
- e. shipping delays and cancellations throughout the year continued to prove challenging;
- f. a 2.7% decrease in the AUD/USD exchange rate compared to the previous year; and
- g. continually rising input costs, despite our investment in capital projects to minimise their impact.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the Co-operative's state of affairs during the financial year are discussed in the review of operations.

## SHARE CAPITAL AND DIVIDENDS

An additional 1,661,764 shares were issued to lamb producers during the year, with 558,676 shares being redeemed. We now have 785 members holding 9,868,040 shares.

The Directors have recommended that no dividend be paid for this financial year.

## SUBSEQUENT EVENTS

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- a. the Co-operative's operations in future financial years, or
- b. the results of those operations in future financial years, or
- c. the Co-operative's state of affairs in future financial years.

## LIKELY DEVELOPMENT AND EXPECTED RESULTS OF OPERATION

Comments on expected results of certain of the Co-operative's operations are included in this report under the review of operations. Further information on likely developments in the Co-operative's operations and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Co-operative.



**\$21.8  
million**

**Pool bonus  
payout to members**

We now have  
**785**  
members

## INSURANCE OF OFFICERS

During the financial year, the Co-operative paid a premium to insure the directors, secretary and senior managers of the Co-operative to the extent permitted by the applicable legislation. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Co-operative, except where there is a lack of good faith.

## ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that legislative instrument to the nearest thousand dollars.

## AUDITOR

A copy of the auditors independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 21.

BDO Audit (WA) Pty Ltd continues in office in accordance with section 225 of the Co-operatives Act 2009.

This report is made in accordance with a resolution of the directors.



**D.T. O'KEEFE**

*Director*



**K.J. Hutchinson**

*Director*

14 August 2024  
Perth WA

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2024

	Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
<b>Revenue from continuing operations</b>	2	<b>424,183</b>	466,869
Other Income		<b>6,110</b>	4,197
Changes in inventories of finished goods		<b>(8,696)</b>	4,689
Raw materials and consumables used		<b>(257,390)</b>	(328,217)
Employee benefits expense		<b>(76,298)</b>	(65,241)
Energy and water expense		<b>(8,032)</b>	(7,116)
Pool bonus to qualifying producers		<b>(21,800)</b>	(8,300)
Depreciation and amortisation expense		<b>(5,301)</b>	(3,796)
Finance costs		<b>(628)</b>	(428)
Other expenses		<b>(29,820)</b>	(27,888)
<b>Profit before income tax from continuing operations</b>		<b>22,328</b>	34,769
Income tax expense		<b>(5,079)</b>	(9,388)
<b>Profit for the year</b>		<b>17,249</b>	25,381
Comprehensive Income: Depreciation of revalued assets (net of income tax)		-	108
<b>Total comprehensive income for the year attributable to members</b>		<b>17,249</b>	25,489

The Consolidated Statement of Profit or Loss and Other Comprehensive Income on the previous page should be read in conjunction with the accompanying notes.

The profit recorded in the year is largely attributable to:

- a. a \$21.8mil pool bonus payout to members;
- b. decreases in revenues across both plants during the year, with prices falling as high inflation in major markets, ongoing conflict and a struggling economy in China dampened demand;
- c. our investment in the Lamb Co-ops in North America again proved invaluable in boosting the revenues for our high value chilled cuts, partly offsetting the lower revenues across the balance of the carcass;
- d. higher lamb margins in the first half of the year as livestock prices fell;
- e. shipping delays and cancellations throughout the year continued to prove challenging;
- f. a 2.7% decrease in the AUD/USD exchange rate compared to the previous year; and
- g. continually rising input costs, despite our investment in capital projects to minimise their impact.



# Consolidated Statement of Financial Position

As at 30 June 2024

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
<b>Assets</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	35,976	16,342
Trade and other receivables	101,229	91,703
Inventories	23,824	31,735
Other current assets	4,250	3,331
<b>Total current assets</b>	<b>165,279</b>	<b>143,111</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	51,551	43,109
Financial assets	6,218	6,084
Deferred tax asset	3,689	3,160
Intangible assets	841	1,537
<b>Total non-current assets</b>	<b>62,299</b>	<b>53,890</b>
<b>Total assets</b>	<b>227,578</b>	<b>197,001</b>
<b>Liabilities</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	50,694	44,650
Short-term borrowings	6,255	2,238
Provisions	6,105	6,059
<b>Total current liabilities</b>	<b>63,054</b>	<b>52,947</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	4,450	2,258
Provisions	957	964
Deferred tax liability	7,479	7,546
<b>Total non-current liabilities</b>	<b>12,886</b>	<b>10,768</b>
<b>Total liabilities</b>	<b>75,940</b>	<b>63,715</b>
<b>Net Assets</b>	<b>151,638</b>	<b>133,286</b>
<b>Equity</b>		
Issued capital	18,914	17,811
Reserves	-	-
Retained earnings	132,724	115,475
<b>Total Equity</b>	<b>151,638</b>	<b>133,286</b>

The Consolidated Statement of Financial Position on the previous page should be read in conjunction with the accompanying notes.

### **Assets**

Cash has increased due to the cash inflows highlighted in the Cash Flow Statement, mainly the current year profits reflected in the income statement.

Trade Receivables have increased due to shipping delays and cancellations.

Inventories have decreased due to lower volumes processed in the last few weeks of the year compared to June 2023.

### **Liabilities**

Borrowings have increased due to the WA State Government Loan taken out to fund the next phase of the capital expansion at the Katanning plant.

### **Equity**

Refer to Statement of Changes in Equity on page 24.



# Consolidated Statement of Cash Flows

For The Financial Year Ended 30 June 2024

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	437,322	520,671
Cash paid to suppliers and employees	(403,869)	(482,697)
Interest received	3,994	2,207
Other revenue	2,110	1,990
Finance costs	(628)	(428)
Tax paid	(13,635)	(6,742)
<b>Net cash provided by operating activities</b>	<b>25,294</b>	<b>35,001</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(13,079)	(6,966)
Proceeds from the sale of non current assets	108	41
Payments for short-term deposits	-	(60,000)
<b>Net cash used in investing activities</b>	<b>(12,971)</b>	<b>(66,925)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares	1,103	378
Proceeds from borrowings	12,414	8,000
Repayment of borrowings	(6,206)	(4,305)
<b>Net cash provided by/(used in) financing activities</b>	<b>7,311</b>	<b>4,073</b>
Net increase in cash held	19,634	(27,851)
Cash at beginning of period	16,342	44,193
<b>Cash at end of year</b>	<b>35,976</b>	<b>16,342</b>
Cash and cash equivalents	35,976	16,342
Less Bank Overdraft	-	-
<b>Net Cash position</b>	<b>35,976</b>	<b>16,342</b>

## Cash Flows from Operating Activities

The cash inflow from operating activities is mostly due to the current year profits reflected in the income statement.

## Cash Flows from Investing Activities

The cash outflow resulted from the acquisition of property, plant and equipment.

## Cash Flows from Financing Activities

The cash inflow is mostly due to the proceeds from borrowings highlighted earlier.



# Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2024

	Share Capital \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>At 30 June 2022</b>	17,433	89,986	108	107,527
Comprehensive income revaluation increment/(decrement)	-	108	(108)	-
Net income recognised directly in equity	-	108	(108)	-
Profit for the year	-	25,381	-	25,381
Total comprehensive profit for the year	-	25,489	(108)	25,381
Transactions with owners in their capacity as owners:				
- Shares issued during the year	1,398	-	-	1,398
- Shares redeemed during the year	(1,020)	-	-	(1,020)
<b>At 30 June 2023</b>	17,811	115,475	-	133,286
Comprehensive income revaluation increment/(decrement)	-	-	-	-
Net income recognised directly in equity	-	-	-	-
Profit for the year	-	17,249	-	17,249
Total comprehensive profit for the year	-	17,249	-	17,249
Transactions with owners in their capacity as owners:				
- Shares issued during the year	1,662	-	-	1,662
- Shares redeemed during the year	(559)	-	-	(559)
<b>At 30 June 2024</b>	18,914	132,724	-	151,638

Member equity has increased due to the current year profits reflected in the income statement.

# Notes to the Financial Statements

30 June 2024

## **Note 1 : Basis of Preparation of the Concise Financial Report**

This concise financial report is an extract for the full financial report for the year ended 30 June 2024. The concise financial report has been prepared in accordance with Accounting Standards AASB 1039: Concise Financial Reports and the Co-operatives Act 2009.

The financial statements, specific disclosures and other information included in this concise financial report are derived from and are consistent with the full financial report of Western Australian Meat Marketing Co-operative Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position

and financing and investing activities of Western Australian Meat Marketing Co-operative Limited as the full financial report.

The financial report of Western Australian Meat Marketing Co-operative Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to rounding of amounts in the financial report. Amounts have been rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

## **Note 2 : Sales Revenue**

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Sale of goods	424,183	466,869
Other income	6,110	4,197
	<b>430,293</b>	<b>471,066</b>

## **Note 3 : Events after Balance Sheet Date**

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Co-operative's operations in future financial years, or
- the results of those operations in future financial years, or
- the Co-operative's state of affairs in future financial years.

# Directors Declaration

The Directors declare that, in their opinion:

- i. the financial statements and notes set out on pages 19 to 25 comply with Australian Accounting Standard AASB 1039 Concise Financial Reports, the Co-operatives Act 2009 and other mandatory professional reporting requirements.
- ii. at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due.
- iii. the Consolidated entity has included in the notes to the full financial statements an explicit and unreserved statement that they give a true and correct view of the Co-operative's financial position as at 30 June 2024 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

This declaration is made in accordance with a resolution of the Directors.



**D.T. O'KEEFFE**

*Director*



**K.J. Hutchinson**

*Director*

14 August 2024

Perth WA





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**DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF WESTERN AUSTRALIAN MEAT MARKETING CO-OPERATIVE LIMITED**

As lead auditor of Western Australian Meat Marketing Co-operative Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Western Australian Meat Marketing Co-operative Limited and the entities it controlled during the period.

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

Jackson Wheeler

Director

BDO Audit (WA) Pty Ltd

Perth

14 August 2024



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 Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Western Australian Meat Marketing Co-operative Limited

### Report on the Audit of the Financial Report

#### Qualified Opinion

We have audited the concise financial report of Western Australian Meat Marketing Co-operative Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes, derived from the financial report of Western Australian Meat Marketing Co-operative Limited for the year 30 June 2024 and the discussion and analysis. We expressed a qualified opinion on the financial report.

In our opinion, except for the effect on the concise financial report of the matter referred to in the paragraph below, the accompanying concise financial report including the discussion and analysis of Western Australian Meat Marketing Co-operative Limited complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

#### Basis for Qualified Opinion

The physical volume of finished goods inventory and capacity of the Group's cold storage facility at Goulburn created logistical issues with regards to access which made it impractical to safely observe the counting of physical inventories at Goulburn for the year ended 30 June 2024. As a result of which we were unable to observe the counting of physical inventories at Goulburn for the year ended 30 June 2024 or satisfy ourselves by alternative means concerning inventory quantities held at 30 June 2024. Similar restrictions on access to the Goulburn facility were experienced at 30 June 2023. Inventory at 30 June 2024 and 30 June 2023 is stated in the statement of financial position at \$9,278,957 and \$15,566,889 respectively.

As a result of this matter, we were unable to determine whether any adjustments might have been necessary in respect of recorded or unrecorded inventories and the related elements making up the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the years ended 30 June 2024 and 2023. Our audit opinion for the year ended 30 June 2023 was also modified in respect of the same matter.



We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Concise financial report**

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The concise financial report and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

#### **The audited financial report and our report thereon**

We expressed a qualified audit opinion on the financial report in our report dated 14 August 2024. This qualification related solely to the matter outlined in the Basis for Qualified Opinion section of this report.

#### **Supplementary information**

The directors are responsible for the supplementary information. The supplementary information obtained at the date of this auditor's report is information included in the chairman's report, chief executive's report and directors' reports but does not include the concise financial report and our auditor's report thereon.

Our opinion on the concise financial report does not cover the supplementary information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the concise financial report, our responsibility is to read the supplementary information and, in doing so, consider whether the supplementary information is materially inconsistent with the concise financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the supplementary information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this supplementary information, we are required to report that fact. We have nothing to report in this regard.





#### **Responsibility of the Director's for the concise financial report**

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

#### **Auditor's responsibility for the audit of the concise financial report**

Our responsibility is to express an opinion on whether the concise financial report, in all material respects, complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with AASB 1039 *Concise Financial Reports* based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'JW', is written over a horizontal line. Above the signature, the letters 'BDO' are written in a casual, handwritten style.

Jackson Wheeler

Director

Perth, 14 August 2024

## Board Members

<b>Bill O’Keeffe</b>	Chairman/Producer Director	Gnowangerup
<b>Kim Hutchinson</b>	Independent Director	Perth
<b>Brad Ipsen</b>	Producer Director	Manjimup
<b>Mark Lucas</b>	Independent Director	Perth
<b>Tom Lynch</b>	Producer Director	Hyden

## Management

<b>Coll MacRury</b>	Group Chief Executive
<b>Albert Baker</b>	Senior Marketing Executive, WAMMCO
<b>Tony Bessell</b>	Plant Manager, WAMMCO
<b>Anthony Clark</b>	Livestock Manager, Southern Meats
<b>Matt Craig</b>	Skins Manager
<b>Rob Davidson</b>	Producer Relations Manager, WAMMCO
<b>Bruce Ede</b>	Chief Financial Officer
<b>Damien Giumelli</b>	Marketing Manager, WAMMCO
<b>Mike Curnick</b>	Livestock Manager, WAMMCO
<b>David Cohn</b>	IT Manager
<b>Craig Newton</b>	Plant Manager, Southern Meats
<b>Samantha Smart</b>	Senior Marketing Executive, Southern Meats

## Livestock Team

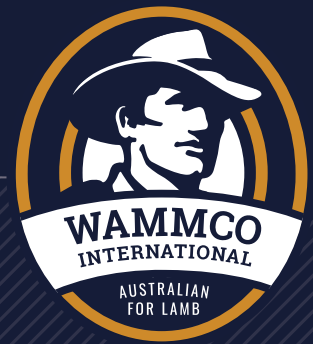
### WAMMCO

<b>Mike Curnick</b>	M: 0407 473 004
<b>Sean Cusack</b>	M: 0429 311 161
<b>Alison Addis</b>	T: 1800 199 197

### Southern Meats

<b>Anthony Clark</b>	M: 0448 975 788
<b>Steve Duncan</b>	M: 0427 232 082

# Western Australian Meat Marketing Co-operative Limited



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