

Invasive Animals Limited

ABN 33 114 965 276

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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REPORT FROM THE DIRECTORS

The Directors of Invasive Animals Ltd (IAL), as the Governing Board, hereby present their report on the financial statements of the Company for the financial year ended 30 June 2018.

Short and long-term objectives and strategy

The Company was established to be a non-profit scientific institution to promote a managed and co-operative approach to RD&E in the field of invasive species management so as to maximize the benefits from that RD&E.

The Invasive Animals Ltd's short term objective is to establish the Centre for Invasive Species Solutions' first portfolio – Portfolio One, through a five-year funding agreement with the Commonwealth Department of Agriculture and Water Resources commencing in 2017 and finishing in 2022.

The Invasive Animals Ltd's long term objective is establishing an enduring entity, the Centre for Invasive Species Solutions (CISS) a sustainable Centre which through scientific leadership and alliances will act as a catalyst to deliver ethical invasive species solutions in Australia and beyond.

Strategy for achieving the objectives

The Company's strategy for achieving these objectives is through:

- Strengthening and building collaborations;
- Developing and implementing collaborative RD&E;
- Building capacity and best practice management adoption;
- Creating new collaborations and innovation opportunities; and
- Operating the Centre effectively and efficiently.

Principal Activities

The Company's principal activities during the year included:

- To coordinate and collaborate on the range of activities agreed in Portfolio One.
- To promote and communicate the former Invasive Animals Cooperative Research Centre achievements to a wider audience thereby extending collaborations and engaging stakeholders.
- To continue to coordinate the delivering of a range of RD&E projects including:
 - RHD Boost Plus;
 - Wild Dog Alert;
 - PAPP based lethal trap device;
 - Hoggone Australia – next generation feral pig bait;
 - Carbon Monoxide rabbit warren fumigator;
 - Blue-Healer Glovebox antidote;
 - eTechnology Hub;
 - Eimeria – Rabbit parasites as an additional biocontrol agent for the European rabbit;
 - National Wild Dog Management;
 - NE NSW Wild Dog Facilitator;
 - Scientific Evaluation of Hunting in NSW;
 - Mallee Fowl Conservation; and
 - Rodenticides.

How these Activities assist in achieving the company's objectives:

These activities have assisted the Company in achieving its objectives by enabling it to:

- establish a powerful 17 member and partner collaborative RD&E platform to achieve system-level improvements and impact;
- identify the potential impact of pest management proposals by articulating the process by which research leads to impacts benefiting the end-user and/or the broader community.

Performance measurement

The Company measures performance through an evaluation framework which includes:

- the Operational Plan where progress in achieving outputs and milestones under the Commonwealth Agreement is reported;
- the Portfolio Logic Framework and MERI Plans with Engagement and Adoption Strategies leading to a progressive evaluation of the Domains in the Portfolio;
- an external review against national benchmarks by a panel of experts;
- RD&E oversight by the newly established Research Excellence Committee;
- financial and governance oversight by the Board, Audit & Risk Committee and Governance & Remuneration Committee; and
- external financial review by independent auditors.

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Directors

The names of the Directors in office at any time during financial year are:

Names and qualifications	Experience, special responsibilities and other Directorships
Marguerite Helen Reading Cathles Chair, MAICD	Extensive experience as a grazier and landholder and in invasive animals' management. Past President and Executive member, Australian Superfine Woolgrowers Association. Over twenty-five years advocacy experience in the rural sector at a regional, state, national and international level focusing on the future viability and sustainability of the people and produce in the superfine wool industry. Board member Willis Cathles Pty Ltd and Olmona Pty Ltd.
Peter Noble B. Comm, LLB, GAICD.	Executive leader and senior lawyer with an international profile developed with prominent global law firms, and seats on numerous boards and executive leadership teams. Notable legal career history of significant matters and executive roles in large complex organisations, and specialisations in governance and risk management, strategic acquisition, integration management, and sustainability. Holds numerous appointments including academic, industrial and business including directorship of Australian Country Choice Ltd.
David Palmer Dip Farm Mgmt., Grad Dip Bus Mgmt., FAICD.	Specialist in Government-Industry relationships and stakeholder engagement with a dedicated thirty-year career in administration and policy development of the Australian beef, sheep meat and goat industries. Ranging from State and Federal advocacy positions through to Free Trade Agreement negotiations in the United States and the development of TRI-LAMB, a three-country initiative designed to safeguard Australian lamb imports to the United States. Currently Board Chair of Rural Assistance Authority (NSW), Chair of the NSW Biosecurity Advisory Committee, Board member of Animal Health Australia, Greater Sydney LLS and Soapyflat Investments (SMSF).
Murray Rankin BA (Bus Admin), Grad Cert Management, FAICD	Extensive director, senior consulting and executive experience gained over a 30-year career with significant business management and Board governance experience in a wide range of industries including ICT, general state and Commonwealth government, natural resource management, national security and law enforcement, renewable energy and the private equity finance sectors. Currently Board Chair of Snedden Hall & Gallop Lawyers Pty Ltd and Board member of e-Water Ltd, Simplexity Holdings Intl Pty Ltd, Rankin Securities Pty Ltd, Canberra ESOP Pty Ltd, NSW&SE Helicopter Medical Rescue Service and Capital Angels Pty Ltd and Department of Industry Entrepreneur Programme Commercialisation Adviser.
Andrew Sanger BSc (Hons), PhD, GAICD	More than 25 years' experience in evidence based scientific Research, Development, Extension and Administration with a background in freshwater fisheries and biosecurity research, management and compliance. Experienced in legislation and compliance, governance, executive management, and workplace health and safety. Chair of the Marine Pest Sectoral Committee, NSW representative on the Environment & Invasives Committee and non-executive director of the Graham Centre for Agricultural Innovation.
Glen Saunders BSc, MSc, PhD	More than 40 years' experience in pest animal management and research. Has conducted a variety of long term, field-based projects and has particularly focused on improving management strategies for vertebrate pests in line with best practice principles and with an ongoing theme of providing information appropriate for decision making on the basis of costs and benefits

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Public Officers

The names of the Public Officers in office at any time during the financial year are:

Names and qualifications	
Carolyn Campbell-Wood BBus, CPA, MAICD, GIA (Cert), T Cert.	Julie McGuiness (Appointed 22 February 2018) B. Appl.Sci; Grad Dip (Environ Mgmt.); Grad Dip (Biochem); Grad Cert (Ornith.)

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Meetings of Directors

The number of Director's meetings and number of meetings attended by each of the Directors of the Company during the financial year is:

	Board Meetings		Audit and Risk Committee		Governance & Remuneration Committee		Transitional Nominations Committee	
	No. eligible to attend	2017-18	No. eligible to attend	2017-18	No. eligible to attend	2017-18	No. eligible to attend	2017-18
Number of meetings held for the year:		5		5		1*		1
Number of meetings attended:								
<u>Directors</u>								
Helen Cathles (Chair)	5	5	-	-	1	1	1	1
Peter Noble (Chair Governance & Remuneration Committee)	5	5	-	-	1	1	-	-
David Palmer	5	5	5	4 [#]	-	-	-	-
Murray Rankin (Chair Audit & Risk Management Comm)	5	5	5	5	-	-	-	-
Andrew Sanger	5	5	5	5	-	-	1	1
Glen Saunders	5	5			1	1	-	-
<u>Nominations Committee Members</u>								
Mr Matt Koval - as representative of the Commonwealth Dept of Agriculture and Water Resources (Chair Transitional Nominations Comm)	-	-	-	-	-	-	1	1
Mr Bruce Christie - As representative of the Environment & Invasives Committee							1	apology
Mr Mark Harvey-Sutton - as representative of the National Farmers Federation	-	-	-	-	-	-	1	1

* Due to the establishment of CISS in 2017-18 Governance & Remuneration matters were escalated to full board level.

Directors were on leave at this time.

Audit & Risk Committee

The Audit & Risk Committee operates under Terms of Reference approved by the Board. The members of the Audit Committee during the year were:

Mr Murray Rankin - Chair
Dr Andrew Sanger
Mr David Palmer

The Chief Executive Officer, General Manager and external auditors are invited to Audit Committee meetings at the discretion of the committee.

Governance and Remuneration Committee

The Governance and Remuneration Committee operates under Terms of Reference approved by the Board.

The members of the Governance and Remuneration Committee during the year were:

Mr Peter Noble - Chair
Ms Helen Cathles
Dr Glen Saunders

The Chief Executive Officer and General Manager are invited to Governance Committee meetings at the discretion of the committee.

Transitional Nominations Committee

The Nomination Committee operates under Terms of Reference approved by the Board. The Committee for 2018 included:

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Mr Matt Koval – Chair
Mr Bruce Christie
Mr Mark Harvey-Sutton
Ms Helen Cathles
Dr Andrew Sanger

Likely Developments - Strategies and Future Prospects

During the 2017-18 year the IAL Board pursued the establishment of the Centre for Invasive Species Solutions (CISS). The Centre is funded through the Commonwealth Department of Agriculture and Water Resources with the formal execution of the Agreement being signed on 11th July 2017. The first portfolio of projects, Portfolio One, had its agreement executed by all sixteen parties on 29th June 2018.

A new Board Committee, the Research Excellence Committee, chaired by Dr Glen Saunders, which will operate under Terms of Reference approved by the Board, will commence operations in the 2018-19 year. The Research Excellence Committee shall assist the Board of Directors to achieve its corporate governance and oversight responsibilities in relation to:

- the Company's strategic alignment with its research, training, education and collaboration objects as set out in cl.3.1 of the Constitution;
- the long-term RD&E vision to be oversighted by Company Members (as per Schedule 1 of the Constitution); and
- the Company's Research Monitoring, Evaluation, Reporting and Improvement (MERI) and Impact measurement framework and systems.

CISS will continue to be a service and member-oriented company creating and brokering powerful and efficient large-scale invasive species RD&E collaborations.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by the Australian Charities and Not-for-profits Commission Act 2012 is set out after the Independent Auditor's Report.

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

Dated this 24th day of September 2018



.....
Helen Cathles (Chair)

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Invasive Animals Limited, the directors declare that:

1. The financial statements and notes present fairly the Company's financial position as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012; and
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

For and on behalf of the governing board of Invasive Animals Limited.

Dated this 24th day of September 2018



.....
Helen Cathles (Chair)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
REVENUE			
Revenue from ordinary activities	3	5,244,466	4,446,460
Revenue from In-kind contributions	4	3,704,814	-
TOTAL REVENUE		8,949,280	4,446,460
EXPENSES			
Board and Governance		(212,840)	(168,928)
Administration Expenses		(1,148,121)	(1,745,818)
Program Management		(3,722,973)	(2,100,736)
Royalties distributed to PAC CRC		(3,338)	(1,557)
Expenditure of In-kind contributions		(3,704,814)	-
TOTAL EXPENSES		(8,792,086)	(4,017,039)
Net operating surplus/(deficit) for the year		157,194	429,421
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		157,194	429,421

The accompanying notes form part of these financial statements

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STATEMENT OF FINANCIAL POSITION AS AT JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	6,400,413	3,730,553
Receivables	8	511,357	315,963
Other current assets	9	8,424	723,376
TOTAL CURRENT ASSETS		<u>6,920,194</u>	<u>4,769,892</u>
NON CURRENT ASSETS			
Equipment	10	-	-
TOTAL NON CURRENT ASSETS		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>6,920,194</u>	<u>4,769,892</u>
CURRENT LIABILITIES			
Payables	11	409,600	429,312
Unearned revenue	12	4,769,549	2,263,797
Provisions	14	133,052	232,898
Other current liabilities	13	532,981	937,778
TOTAL CURRENT LIABILITIES		<u>5,845,182</u>	<u>3,863,785</u>
NON CURRENT LIABILITIES			
Provisions	14	36,780	25,071
TOTAL NON CURRENT LIABILITIES		<u>36,780</u>	<u>25,071</u>
TOTAL LIABILITIES		<u>5,881,962</u>	<u>3,888,856</u>
NET ASSETS		<u>1,038,232</u>	<u>881,036</u>
ACCUMULATED FUNDS			
Accumulated surplus		1,038,232	881,036
TOTAL ACCUMULATED FUNDS		<u>1,038,232</u>	<u>881,036</u>

The accompanying notes form part of these financial statements

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STATEMENT OF CASH FLOWS AS AT JUNE 2018

	Note	2018 \$	2017 \$
Operating activities			
Receipts from grants		6,743,247	-
Receipts from members		1,450,000	-
Receipts from non-Commonwealth CRC Grant Sources		-	5,929,869
Receipts from Commonwealth CRC Grant		-	2,336,400
Interest received		44,088	33,189
Payments to suppliers		(5,547,475)	(4,644,436)
Payment of Commonwealth Grant to CRC		-	(2,124,000)
Net cash generated (used)	6	<u>2,669,860</u>	<u>1,531,022</u>
Net movement in cash and cash equivalents		2,669,860	1,531,022
Cash and cash equivalents at beginning of year		<u>3,730,553</u>	<u>2,199,531</u>
Cash and cash equivalents at end of year	5	<u><u>6,400,413</u></u>	<u><u>3,730,553</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

Retained Surplus

Balance at beginning of the year	881,036	451,615
Net operating surplus / (deficit) for the year	<u>157,194</u>	<u>429,421</u>
Balance at end of the year	<u><u>1,038,230</u></u>	<u><u>881,036</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2018

1. Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Any new Accounting Standards that have been issued but are not yet effective at balance date have not been applied in the preparation of this financial report. The possible impacts of the initial application of these Accounting Standards have not been assessed.

The financial report has been prepared on an accrual basis and in accordance with the historical cost convention. The financial report does not take into account changing values or current valuations of non-current assets, except where stated. Cost is based on the fair values of consideration given in exchange for assets.

The financial report of the Company complies with Australian Accounting Standards, which include all Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with International Financial Reporting Standards cannot be made due to the Company applying the not-for-profit sector specific requirements contained in the AIFRS.

2. Reporting Entity

Invasive Animals Limited (the Company) is a Company domiciled in Australia. The address of the Company's registered office is Building 22, University of Canberra Campus, Bruce ACT 2617. The purpose of the Company is to be a non-profit scientific institution to promote a managed and co-operative approach to research and education in the field of invasive species management so as to maximize the benefits from that research and education.

From July 2017 the Company trades as the Centre for Invasive Species Solutions and continues to capitalise on the Company's unique role in facilitating research collaboration and delivering ethical and humane invasive species solutions in Australia and beyond.

Details of the Company's accounting policies are included in the following notes:

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NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2018

PERFORMANCE

3. Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and Goods and Services Taxes (GST).

Allocation from Invasive Animals CRC 2017

Commonwealth funding was received by the company and transferred directly to the Invasive Animals Cooperative Research Centre. Management fees were received from the Invasive Animals Cooperative Research Centre, and recognised in the statement of comprehensive income as revenue when the amount was received, usually at the beginning of each quarter.

Any unspent annual allocation from the Invasive Animals Cooperative Research Centre was recognised as revenue.

Grants / Contracts for Services.

Contracted revenue from various sources of sponsored research, including corporations, foundations, Commonwealth, State and local government and research institutes are received by Invasive Animals Ltd.

Revenue is recognised in accordance with the stage of completion of the project, and any unearned balance at year end is recorded as a current liability in the statement of financial position.

Members Annual Contributions

Annual Core Contributions received from company members are in accordance with clause 6.2 of the Constitution and the agreed cost sharing model. They are invoiced at the start of each financial year and recognised in the statement of comprehensive income as revenue when the amounts are received.

Royalties

Royalties are received quarterly in arrears and are recognised in the statement of comprehensive income as revenue when the amounts are received.

Interest

Interest income is accrued on a time - proportion basis, by reference to the principal outstanding and at the effective interest rate applicable

	2018 \$	2017 \$
Revenue		
Management fees from IA CRC	-	1,892,588
Receipts from grants/contracts for services	5,942,807	2,522,596
Members Annual Contributions	1,450,000	-
Administration fees	53,450	-
Royalties: PAC CRC	1,781	3,114
Royalties: IAL	1,256	2,866
Interest	49,121	25,296
Amounts (taken to)/used from unearned revenue	(2,253,949)	-
	<u>5,244,466</u>	<u>4,446,460</u>

4. In Kind Contributions

In Kind contribution of resources (research or other professional staff and/or specialist facilities and infrastructure) is contributed to the Company by members, partners and third parties for use in projects and research domains. The value of any intellectual property contributions is excluded under clause 12.3 of the Portfolio No. 1 Agreement.

Personnel In Kind (FTE)

A full time equivalent (FTE) person is represented by a decimal figure that indicates the proportion of workload contributed by a person over a 12 month period (covering salary, on costs and overheads). The FTE is rounded to three decimal places.

Valuation of each FTE is made by applying a standard dollar amount of \$250,000 to the FTE number, based on the Valuation Principles as set out in clause 1.1 of the Portfolio No. 1 Agreement.

Non-Personnel In Kind

Valuations for non-personnel in kind contributions are self-assessed and certified by the contributing Project Party in accordance with the Valuation Principles set out in clause 1.1 of the Portfolio No. 1 Agreement.

	2018 \$	2017 \$
In Kind Contributions		
Personnel In Kind Contributions	2,147,250	-
Non Personnel In Kind Contributions	1,557,564	-
	<u>3,704,814</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2018

CASH MANAGEMENT

5. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and deposits readily convertible to cash.

	2018	2017
	\$	\$
Cash at bank and on hand	4,299,641	3,226,068
Term Deposits	2,100,772	504,485
	<u>6,400,413</u>	<u>3,730,553</u>

6. Cash Flow Statement Information

	2018	2017
	\$	\$
Reconciliation of operating surplus to net cash from operating activities:		
Net Operating surplus/(Deficit) for the year	157,194	429,421
Changes in Assets and Liabilities:		
Receivables	(195,394)	(189,926)
Payables	(19,711)	(156,040)
Prepayments	(8,164)	7,354
Funds transfers due	723,116	(723,116)
Provisions	(88,137)	15,190
Other liabilities	(404,797)	858,025
Unearned Revenue	2,505,752	1,290,115
Net cashflows from operating activities	<u>2,669,860</u>	<u>1,531,023</u>

7. Financial Risk Management

(a) Financial Risk Management Policies

The Company's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise from the operations of the Company.

The Company does not have any derivative instruments at 30 June 2018.

Financial Risk Exposures and Management

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The policies for managing each of these risks are summarised below.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to its holdings of cash and cash equivalents.

The Company policy is to manage its interest income through regularly reviewing the interest rate being received on cash and cash equivalents and comparing this return to the market.

Credit risk

Credit risk arises from exposure to customers as well as through deposits with financial institutions. The Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by it. The Company manages credit risk by maintaining cash deposits with established financial institutions.

Liquidity risk

The Company has no external funding or facilities in place. The Company manages its cash balance to ensure that it has sufficient cash and cash equivalent holdings to meet all short, medium and long term requirements.

(b) Net Fair Values

The directors consider the carrying amount of financial assets and financial liabilities approximate their net fair values.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2018

(c) Financial Instrument Composition and Maturity Analysis

	Weighted average effective interest rate		Variable interest rate		Fixed Interest rate maturing within 1 year		Non-interest bearing		Total	
	2018 %	2017 %	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Financial assets:										
Cash	0.91%	0.68%	6,400,313	3,730,503	-	-	100	50	6,400,414	3,730,553
Receivables	n/a	n/a		-	-	-	503,726	312,249	503,726	312,249
Total financial assets			6,400,313	3,730,503	-	-	503,826	312,299	6,904,140	4,042,803
Financial liabilities:										
Payables	n/a	n/a	-	-	-	-	336,159	374,290	336,159	374,290
Total financial liabilities			-	-	-	-	336,159	374,290	336,159	374,290

8. Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for uncollectable debts. An estimate for doubtful debts is made when collection of the final amount is no longer probable. Bad debts are written as incurred. Terms and conditions: 30-day terms, no interest. No receivables were impaired as at 30 June 2018 (2017: nil).

	2018 \$	2017 \$
Trade debtors	503,726	312,249
Accrued income	7,631	3,714
	<u>511,357</u>	<u>315,963</u>

9. Other financial assets

Prepayments	8,424	260
Funds Transfers Due	-	723,116
	<u>8,424</u>	<u>723,376</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2018

OTHER OPERATING ASSETS AND LIABILITIES

10. Property, Plant and Equipment.

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Items with a cost price of less than \$5,000 are fully expensed in the year of acquisition.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Any assets' residual values and useful lives are reviewed, and adjusted as stated above, at each financial year-end.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of asset	Useful life
Motor vehicles	12 years

	2018 \$	2017 \$
Equipment*	-	87,569
Accumulated Depreciation and impairment losses	-	(87,569)
	-	-
Reconciliation of the carrying amount of equipment		
Carrying amount at beginning of the period	-	52,140
Disposals	-	(45,173)
Depreciation expense	-	(6,967)
Carrying amount at the end of the financial year	-	-

* Assets in the 2017 year comprised two 4WD vehicles funded by IA CRC Research program. Residual funds recovered, on sale of the vehicles were returned to the program in that year.

11. Payables

Payables are recognised amounts to be paid in the future for goods and services. Terms and conditions – settled within any creditors terms specified where possible. If no terms are specified payment is made by the end of the month following the month in which the invoice is received

(a) Trade creditors are unsecured.

(b) Employee accruals payable include accrued wages, salaries and on-costs, superannuation payable and PAYG withholding tax.

	2018 \$	2017 \$
Payables		
Current		
Trade and other creditors	231,506	366,138
Accrued expenses	19,739	4,858
Short term employee accruals	53,702	50,164
Net GST Payable	104,653	8,152
	409,600	429,312

12. Unearned Revenue

Grants/Contracted services unearned balance	4,769,549	2,263,797
	4,769,549	2,263,797

The measurement criterion relating to unearned revenue has been included in Note 3.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2018

13. Other liabilities

Current

AVP Conference Funding	43,662	18,401
Funds in Trust	489,319	919,376
	<u>532,981</u>	<u>937,778</u>

PEOPLE AND RELATIONSHIPS

14. Employee Provisions

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their entitlement.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits should they not be expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligations is recognised in profit or loss classified under employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

The non-current portion for the provision includes amounts accrued for long service leave entitlements that are yet to be vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave vesting is based upon historical data.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Company receive defined contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution (9.5% of the employee's average ordinary salary in 2018) to the employee's superannuation fund of choice. All contributions in respect of employee's defined contributions entitlements are recognised as an expense when they become payable. The Company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2018

Employee Provisions	2018	2017
	\$	\$
Current		
Employee Benefits:		
Annual leave	90,792	119,193
Long service leave (vested)	42,260	113,705
	<u>133,052</u>	<u>232,898</u>
Non-current		
Long service leave (unvested)	36,780	25,071
	<u>36,780</u>	<u>25,071</u>

15. Remuneration of Key Management Personnel

	2018	2017
	\$	\$
Income received or due and receivable by Key Management Personnel		
Management Staff	626,455	480,921
Directors	158,526	145,174
Total compensation (short-term benefits) for Key Management Personnel	<u>784,981</u>	<u>626,095</u>

There were no post-employment benefits or other long-term benefits paid to key management personnel during the period from 1 July 2017 to 30 June 2018. The increase in total compensation is reflective of a reclassification of staff positions.

16. Related Parties Disclosures

No remuneration was received, or due and receivable, by any director of the Company from the Company or any director related entities, for management of the Company, except for that disclosed in note 15 and the funding provided to the following association:

	2018	2017
	\$	\$
NSW Department of Primary Industries (Associated Director: Dr Andrew Sanger, Director, Invasive Plants and Animals Branch, NSW DPI)	549,305	731,691

Payments relate to research projects: ALC-C-010: RHD Boost Plus; ALC-C-013: Wild Dog Alert; ALC-C-008 PAPP Lethal Trap Device. No payments were made in the 2017-18 year for project UNC-C-007: NSW Hunting (previously 3. L20ea: Scientific evaluation of hunting in NSW and 3L20eb: Native Bird Management).

Transactions with director related entities are conducted on an arm's length basis. All of the projects listed above commenced prior to Dr Sanger being appointed as a Director, and Dr Sanger had no role in negotiating extensions or variations to these projects, other than to sign contracts as required to execute formal agreements for research services. No dividends were received from associates in the 2018 or 2017 financial years.

	2018	2017
	\$	\$
<u>17. Auditors Remuneration</u>		
Remuneration of auditor for:		
Audit of Financial Statements	13,250	13,000
Other audit services	-	2,820
Other Services	-	-
	<u>13,250</u>	<u>15,820</u>

NOTES TO THE FINANCIAL STATEMENT - YEAR ENDED 30 JUNE 2018

OTHER INFORMATION

18. Leases & Commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the year in which they are incurred.

The Company has a new lease for premises which expires on 31 August 2022.

	2018 \$	2017 \$
<u>Lease Commitments</u>		
Within one year	49,715	50,605
After one year but not more than five years	168,884	210,741
Total commitments	<u>218,599</u>	<u>261,346</u>

Commitments are net of GST.

Future lease commitments (as shown above in Note 18) will, from 1 July 2019, be shown as lease liabilities along with the associated right of use lease asset.

Straight line recognition of lease expense will be replaced with a principal and interest calculation in accordance with AASB16.

NOTES TO THE FINANCIAL STATEMENT - YEAR ENDED 30 JUNE 2018

19. Summary of other Significant Policies

Accounts Presentation

The classification 'Accumulated Funds' has been used in the accounts as the Company is limited by guarantee and therefore has no shareholders. It is believed that the use of the classification 'Equity' would be misleading.

Comparatives

The classification of comparative figures has been changed where the change improves the understandability of the financial information.

Critical accounting estimates and judgments

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

Key estimates - Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Should an impairment indicator exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 30 June 2018.

Economic Dependency

The Company successfully transitioned into its new Portfolio structure, trading as the Centre for Invasive Species Solutions, an organisation dedicated to invasive species RD&E on 1 July 2017.

The continued operation of the Company is reliant on the current and future financial support provided by the Commonwealth Department of Agriculture and Water Resources (the Department). The current funding agreement commenced on 11 July 2017 and ceases on 30 June 2022.

The Company Board, its members and management recognises the imperative of economic independence. They will continue their endeavours to pursue transformational innovation and large-scale RD&E collaborations, to attract new contracts and consultancies so as to sustainably build the Company's economic viability and independence into the future.

Subsequent Events

The Financial Report of the Company was authorised for issue on the date of signing the Directors' Report and Declaration.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is disclosed as operating activities.

Income tax

Invasive Animals Ltd has been endorsed by the Australian Taxation Office as a tax concession charity (NAT 10652) effective from 1st July 2005 and is exempt from income tax.

Impairment

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use for the Company, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Members' Guarantee

The Company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company. As at 30 June 2018 there were a total of nine members.

Company details

Invasive Animals Ltd is a Company limited by guarantee incorporated and domiciled in Australia. The registered office and principal place of business of Invasive Animals Ltd is located at: Building 22, University of Canberra Bruce ACT 2617. During the year the principal activities of the Company was to establish and manage its first Portfolio of projects. A Portfolio aimed to counteract the impact of invasive species, through the development and application of new technologies and by integrating approaches. Additionally, the Company also continued to manage a series of research projects begun in prior years.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

Opinion

We have audited the financial report of Invasive Animals Limited ('the Company'), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 30 June 2018, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the company.

In our opinion, the accompanying financial report of the company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the 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 opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

▼ SYNERGY GROUP AUDIT PTY LTD

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Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

Eric Hummer

Audit Director

ehummer@synergygroup.net.au

0407 486 637

25 September 2018

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012* I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

1. the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.



Eric Hummer

Audit Director

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0407 486637

20 September 2018