

Invasive Animals Limited

ABN 33 114 965 276

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

CONTENTS

Directors' Report

Directors' Declaration

Statement of Comprehensive Income

Statement of Financial Position

Statement of Cash Flows

Statement of Changes in Equity

Notes to the Financial Report

Independent Auditor's Report

INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

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 2019.

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 foster the establishment of the Centre for Invasive Species Solutions, and develop its first RD&E project portfolio – Portfolio No. 1. Portfolio No.1 is funded through a five-year agreement between the Commonwealth Department of Agriculture, all States and the ACT, two industry Research and Development Corporations, five universities and the NZ Department of Conservation. It commenced in 2017 and finishes in 2022.

The Invasive Animals Ltd.'s long term objective is to enable the Centre for Invasive Species Solutions (CISS) to be a service provider acting as a broker and catalyst to design and promote investment in, and management of, large-scale collaborative invasive species R&D, education and extension. Through scientific leadership and alliances, it aims to deliver ethical invasive species solutions to growing productivity, social and environmental threats in Australia and beyond.

Strategy for achieving the objectives

The Company's strategy for achieving these objectives continues 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 No.1.
- To continue 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;
 - Blue-Healer Glovebox antidote;
 - eTechnology Hub;
 - Eimeria – Rabbit parasites as an additional biocontrol agent for the European rabbit;
 - Biosecurity molecular screening using eDNA technology
 - 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;
- 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.

INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

Directors

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

<i>Names and qualifications</i>	<i>Experience, special responsibilities and other Directorships</i>
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.
Jan Ferguson OAM BA, GAICD	Highly skilled company director with 13 years' experience in unincorporated joint ventures, ASIC registered, Not for Profits and Foundations including the companies that supported the research and development by two Cooperative Research Centres, and a commercial arm for the commercialisation of the research. Experienced senior executive with the South Australian Government, the 1997 Telstra Business Woman of the Year (SA Public sector) and a passion for people, teamwork and social justice, especially for rural and remote Australia. Currently President of the Nature Foundation in SA, member of the SA Arid Lands NRM board, the Heritage Council of SA and Secretary of Beltana Progress Association.
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) and Soapyflat Investments (SMSF).
Murray Rankin BA (Bus Admin), Grad Cert Management, FAICD	Extensive director, executive and senior consulting experience gained over a 35-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, NSW&SE Helicopter Medical Rescue Service and Capital Angels Pty Ltd and a Department of Industry Innovation & Science Innovation & 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 Board of Management for the Graham Centre for Agricultural Innovation and NSW representative on the Environment & Invasives Committee.
Glen Saunders BSc, MSc, PhD	More than 40 years' experience in pest animal management and research. In that time, he has conducted research which particularly focused on improving management strategies for invasive species. He has an MSc from Macquarie University and a PhD from Bristol University (UK) and has held many senior research and management leadership roles in both NSW DPI and the Invasive Animals CRC. These include Director of Invasive Plants and Animals and Senior Principal Research Scientist in NSW DPI and Director of Research in the CRC. He is a past president of the Australasian Wildlife Management Society (AWMS) and has served on many committees which have guided invasive species management activities nationally and internationally. He has been a Director on the CISS Board since 2017.

INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

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
B. Appl.Sci; Grad Dip (Environ Mgmt.); Grad Dip (Biochem);
Grad Cert (Ornith.)

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		Research Excellence Committee		Transitional Nominations Committee	
	No. eligible to attend	2018-19	No. eligible to attend	2018-19	No. eligible to attend	2018-19	No. eligible to attend	2018-19	No. eligible to attend	2018-19
Number of meetings held for the year:		5		5		5		3		3

Number of meetings attended:

Directors

Helen Cathles (Chair)	5	5	1	1	5	5			3	3
Jan Ferguson	3	3					2	2		
Peter Noble (Chair Governance & Remuneration Committee)	5	4 [#]			5	5			3	2 [*]
David Palmer	5	5	5	3 [#]						
Murray Rankin (Chair Audit & Risk Management Comm)	5	4 [#]	5	5						
Andrew Sanger	2	2	2	1 [#]			1	1		
Glen Saunders (Chair Research Excellence Comm)	3	3			1	1	3	3		

Nominations Committee Members

Mr Matt Koval - as representative of the Commonwealth Dept of Agriculture and Water Resources (Chair Transitional Nominations Comm)	-	-	-	-	-	-			3	3
Mr Bruce Christie - as representative of the Environment & Invasives Committee									3	2
Mr Mark Harvey-Sutton - as representative of the National Farmers Federation	-	-	-	-	-	-			3	3
Mr Will Zacharin - as representative of a State Government									3	2
Mr Selwyn Snell as an independent member									3	2

[#] Directors were on leave at this time

^{*} Apology

Audit & Risk Committee

The Audit & Risk Committee operates under Terms of Reference approved by the Board. The members of the Audit Committee at any time 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.

INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

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 at any time 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.

Research Excellence Committee

The research Excellence Committee operates under Terms of Reference approved by the Board.

The members of the Research Excellence Committee at any time during the year were:

Dr Glen Saunders - Chair
Dr Andrew Sanger
Ms Jan Ferguson OAM

The Chief Executive Officer and the Portfolio Director are invited to Research Committee meetings at the discretion of the committee.

Nominations Committee

The Nomination Committee operates under Terms of Reference approved by the Board. The Committee for the 2018 - 19 year included:

Mr Matt Koval – Chair
Mr Bruce Christie
Mr Will Zacharin
Mr Mark Harvey-Sutton
Mr Selwyn Snell
Ms Helen Cathles
Mr Peter Noble

Likely Developments - Strategies and Future Prospects

During the 2018-19 year the IAL Board continued with the establishment of the Centre for Invasive Species Solutions (CISS). The Centre is funded through the Commonwealth Department of Agriculture. The first portfolio of projects, Portfolio One, had its agreement executed by all sixteen parties on 29th June 2018.

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 in the Independent Auditor's Report.

This report is made in accordance with a resolution of the Directors. Dated this 25th day of September 2019



.....
Peter Noble (Acting Chair)

DIRECTORS' DECLARATION

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

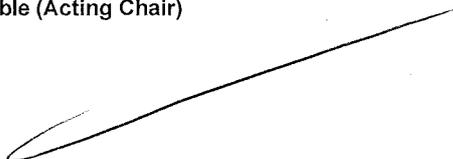
1. The financial statements and notes present fairly the Company's financial position as at 30 June 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012; and
2. In the directors' 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 25th day of September 2019



.....
Peter Noble (Acting Chair)



INVASIVE ANIMALS LIMITED

ABN: 33 114 965 276

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
REVENUE			
Revenue from ordinary activities	3	7,723,950	5,244,466
Revenue from In-kind contributions	4	5,412,768	3,704,814
TOTAL REVENUE		<u>13,136,718</u>	<u>8,949,280</u>
EXPENSES			
Board and Governance		(207,734)	(212,840)
Administration Expenses		(1,184,445)	(1,148,121)
Program Management		(6,186,572)	(3,722,973)
Pigout Royalties distributed to PAC CRC		(1,501)	(3,338)
Expenditure of In-kind contributions		(5,412,768)	(3,704,814)
TOTAL EXPENSES		<u>(12,993,020)</u>	<u>(8,792,086)</u>
Net operating surplus/(deficit) for the year		143,698	157,194
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u>143,698</u>	<u>157,194</u>

The accompanying notes form part of these financial statements

INVASIVE ANIMALS LIMITED

ABN: 33 114 965 276

STATEMENT OF FINANCIAL POSITION AS AT JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	5	7,559,727	6,400,413
Receivables	8	149,728	511,357
Other current assets	9	1,007	8,424
TOTAL CURRENT ASSETS		<u>7,710,462</u>	<u>6,920,194</u>
TOTAL ASSETS			
		<u>7,710,462</u>	<u>6,920,194</u>
CURRENT LIABILITIES			
Payables	10	550,454	409,600
Unearned revenue	11	5,133,937	4,769,549
Provisions	13	149,547	133,052
Other current liabilities	12	515,575	532,981
TOTAL CURRENT LIABILITIES		<u>6,349,513</u>	<u>5,845,182</u>
NON CURRENT LIABILITIES			
Unearned revenue	11	113,599	-
Provisions	13	65,422	36,780
TOTAL NON CURRENT LIABILITIES		<u>179,021</u>	<u>36,780</u>
TOTAL LIABILITIES		<u>6,528,534</u>	<u>5,881,962</u>
NET ASSETS		<u>1,181,928</u>	<u>1,038,232</u>
ACCUMULATED FUNDS			
Accumulated surplus		1,181,928	1,038,232
TOTAL ACCUMULATED FUNDS		<u>1,181,928</u>	<u>1,038,232</u>

The accompanying notes form part of these financial statements

INVASIVE ANIMALS LIMITED

ABN: 33 114 965 276

STATEMENT OF CASH FLOWS AS AT JUNE 2019

	Note	2019 \$	2018 \$
Operating activities			
Receipts from grants		7,831,051	6,783,247
Receipts from members		1,466,800	1,450,000
Interest received		78,268	44,088
Payments to suppliers		<u>(8,216,805)</u>	<u>(5,607,475)</u>
Net cash generated (used)	6	<u>1,159,314</u>	<u>2,669,860</u>
Net movement in cash and cash equivalents		1,159,314	2,669,860
Cash and cash equivalents at beginning of year		<u>6,400,413</u>	<u>3,730,553</u>
Cash and cash equivalents at end of year	5	<u><u>7,559,727</u></u>	<u><u>6,400,413</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Retained Surplus

Balance at beginning of the year	1,038,230	881,036
Net operating surplus / (deficit) for the year	<u>143,698</u>	<u>157,194</u>
Balance at end of the year	<u><u>1,181,928</u></u>	<u><u>1,038,230</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2019

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.

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:

Note index			
<i>Description</i>	<i>Note No.</i>	<i>Description</i>	<i>Note No.</i>
Performance			
Revenue.....	3	Payables.....	10
In-kind Contributions.....	4	Unearned Revenue.....	11
		Other liabilities.....	12
Cash Management		People and relationships	
Cash and cash equivalents.....	5	Employee provisions.....	13
Cash flow statement information.....	6	Key management personnel.....	14
Financial risk management.....	7	Related party disclosures.....	15
Other Operating assets and liabilities		Other information	
Receivables.....	8	Auditor's remuneration.....	16
Other financial assets.....	9	Leases & Commitments.....	17
		Summary of other Significant Policies.....	18

INVASIVE ANIMALS LIMITED

ABN: 33 114 965 276

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2019

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).

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. Membership rights and privileges are available to financial members. They are invoiced at the start of each financial year and recognised in the statement of comprehensive income as revenue in the financial year to which they relate, and amounts received in advance, in respect of future financial years, are recognised as unearned revenue (liability).

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

	2019	2018
	\$	\$
Revenue		
Receipts from grants/contracts for services	6,202,176	5,942,807
Members Annual Contributions	1,466,800	1,450,000
Administration fees	117,995	53,450
Royalties: PAC CRC	1,501	1,781
Royalties: IAL	1,796	1,256
Interest	114,368	49,121
Amounts (taken to)/used from unearned revenue	(180,685)	(2,253,949)
	<u>7,723,950</u>	<u>5,244,466</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.

	2019	2018
	\$	\$
In Kind Contributions		
Personnel In Kind Contributions	3,776,250	2,147,250
Non-Personnel In Kind Contributions	1,636,518	1,557,564
	<u>5,412,768</u>	<u>3,704,814</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2019

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.

	2019 \$	2018 \$
Cash at bank and on hand	3,410,588	4,299,641
Term Deposits	4,149,139	2,100,772
	<u>7,559,727</u>	<u>6,400,413</u>

6. Cash Flow Statement Information

Reconciliation of operating surplus to net cash from operating activities:

Net Operating surplus/(Deficit) for the year	143,698	157,194
Changes in Assets and Liabilities:		
Receivables	361,629	(195,394)
Payables	140,853	(19,711)
Prepayments	7,417	(8,164)
Funds transfers due	-	723,116
Provisions	45,137	(88,137)
Other liabilities	(17,406)	(404,797)
Unearned Revenue	477,987	2,505,752
Net cashflows from operating activities	<u>(1,159,314)</u>	<u>2,669,860</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 2019.

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.

INVASIVE ANIMALS LIMITED

ABN: 33 114 965 276

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2019

(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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets:										
Cash	1.58%	0.91%	7,559,627	6,400,313	-	-	100	100	7,559,727	6,400,414
Receivables	n/a	n/a					106,010	503,726	106,010	503,726
Total financial assets			7,559,627	6,400,313	-	-	106,110	503,826	7,665,837	6,904,140
Financial liabilities:										
Payables	n/a	n/a	-	-	-	-	471,598	336,159	471,598	336,159
Total financial liabilities			-	-	-	-	471,598	336,159	471,598	336,159

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 off as incurred. Terms and conditions: 30-day terms, no interest. No receivables were impaired as at 30 June 2019 (2018: nil).

	2019	2018
	\$	\$
Trade debtors	28,234	503,726
Net BAS Refund	77,776	-
Accrued income	43,718	7,631
	<u>149,728</u>	<u>511,357</u>

9. Other financial assets

Prepayments	1,007	8,424
	<u>1,007</u>	<u>8,424</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2019

OTHER OPERATING ASSETS AND LIABILITIES

10. 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.

	2019 \$	2018 \$
Payables		
Current		
Trade and other creditors	471,598	231,506
Accrued expenses	35,285	19,739
Short term employee accruals	43,571	53,702
Net BAS Payable	-	104,653
	550,454	409,600

11. Unearned Revenue

Grants/Contracted services unearned balance	5,133,937	4,769,549
Grants/Contracted services non-current unearned balance	113,599	-
	5,247,536	4,769,549

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

12. Other liabilities

Current

AVP Conference Funding	60,000	43,662
Funds in Trust	455,575	489,319
	515,575	532,981

PEOPLE AND RELATIONSHIPS

13. 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.

INVASIVE ANIMALS LIMITED

ABN: 33 114 965 276

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2019

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 2019) 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.

Employee Provisions	2019	2018
	\$	\$
Current		
Employee Benefits:		
Annual leave	83,324	90,792
Long service leave (vested)	<u>66,223</u>	<u>42,260</u>
	<u>149,547</u>	<u>133,052</u>
Non-current		
Long service leave (unvested)	<u>65,422</u>	<u>36,780</u>
	<u>65,422</u>	<u>36,780</u>

14. Remuneration of Key Management Personnel

	2019	2018
	\$	\$
Income received or due and receivable by Key Management Personnel		
Management Staff	699,518	645,343
Directors	<u>162,776</u>	<u>158,526</u>
Total compensation (short-term and other long-term employees benefits and post-employment benefits including salary, superannuation, annual leave and long service leave) for Key Management Personnel	<u>862,294</u>	<u>803,869</u>

The increase in total compensation is reflective of a reclassification of staff positions.

INVASIVE ANIMALS LIMITED

ABN: 33 114 965 276

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2019

15. 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:

	2019	2018
	\$	\$
NSW Department of Primary Industries (Associated Director: Dr Andrew Sanger, Director, Invasive Plants and Animals Branch, NSW DPI)	115,140	549,305

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 2018-19 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.

	2019	2018
	\$	\$
<u>16. Auditors Remuneration</u>		
Remuneration of auditor for:		
Audit of Financial Statements	16,200	13,250
Other audit services	10,900	-
	<u>27,100</u>	<u>13,250</u>

OTHER INFORMATION

17. 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.

	2019	2018
	\$	\$
<u>Lease Commitments</u>		
Within one year	51,398	49,715
After one year but not more than five years	117,486	168,884
Total commitments	<u>168,884</u>	<u>218,599</u>

Commitments are net of GST.

Future lease commitments (as shown above in Note 17) 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 2019

18. 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 2019.

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 statement of financial position 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 2019 there were a total of ten 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 being 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.

Adoption of new and revised Accounting Standards

(a) Standards and Interpretations adopted for the first time

AASB 9: *Financial Instruments*. In adopting this AASB 9, the company classified financial assets based on both its business model, which holds assets in order to collect contractual cashflows, and the contractual cashflow characteristics. There was no impact on reported results or financial position. The classifications adopted for financial instruments under the previous AASB 139 and the new AASB 9 are set out below:

<u>Financial Instrument category</u>	<u>AASB 139 original</u>	<u>AASB 9 new</u>	<u>Impact of change</u>
<i>Financial Assets - current and non-current assets</i>			
Receivables	Loan and receivables (amortised cost)	Financial assets at amortised cost	Nil
Cash and Cash equivalents	Loan and receivables (amortised cost)	Financial assets at amortised cost	Nil

Financial liabilities - current and non-current assets

Payables	Amortised cost	Financial liabilities at amortised cost	Nil
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There were no other new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

(b) Standards and Interpretations issued not yet adopted

The Australian Accounting Standards Board has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. These standards are not expected to have a significant effect on the financial statements of the company.

Financial instruments

Financial assets

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the Company classifies its financial assets as financial assets measured at amortised cost.

The classification depends on both the Company's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the Company becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount."

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade and contract receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset

Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and are recognised and derecognised upon trade date.

Financial liabilities at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Invasive Animals Limited ('the company'), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 Division 60 of 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 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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.

Information Other than the Financial Report and the Auditor's Report Thereon

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 2019 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 the other information, we are required to report on that fact. We have nothing to report in this regard.

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.

Synergy Group Audit Pty Ltd

t. (02) 6260 7477 w. synergygroup.net.au a. Ground Floor, 15 National Circuit, Barton, ACT 2600
PO Box 3789 Kingston ACT 2600 ABN 45 104 227 063 AUTHORISED AUDIT COMPANY NO. 301280

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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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintains professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



Eric Hummer
Audit Director
Synergy Group Audit Pty Ltd

26 September 2019

