

Invasive Animals Limited

ABN 33 114 965 276

# FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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# INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

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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 2020.

### 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 maximise 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, Water and the Environment, 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 secure the Centre for Invasive Species Solutions (CISS) as a permanent national collaborative invasive species RD&E institution that enables a more coordinated and efficient approach to drive invasive species management innovation that will assist in future proofing Australia's National Biosecurity System. This is being pursued by broadening our RD&E scope to cover vertebrate pests, weeds and environmental invertebrates and diseases, and revenue diversification that includes attracting additional projects aligned to the CISS strategy.

### 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 implementation of the range of activities agreed in Portfolio No.1.
- To continue the delivering of a range of additional RD&E projects including:
  - Biosecurity molecular screening using eDNA technology;
  - Computer vision weeds ID App;
  - Coordination of a National Environment & Community Biosecurity RD&E Strategy
  - Mallee fowl conservation; and
  - Rodenticides.
- Promotion of invasive species best practice management, such as through the upgraded PestSmart and WeedsAustralia on-line toolkits.

### 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 activity milestones and outputs are reported
- the Portfolio Logic Framework and MERI Plans with Engagement and Adoption Strategies leading to a progressive evaluation of the Domains in the Portfolio;
- Interim Progress Reports and Annual Progress Reports where performance is reported to CISS Members and Partners and to meet Commonwealth Agreement reporting obligations;
- RD&E oversight by the Board 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:

<b>Names and qualifications</b>	<b>Experience, special responsibilities and other Directorships</b>
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. Extensive experience in establishing and managing rural and regional SME's and Community Service Groups. Board member Willis Cathles Pty Ltd and Olmona Pty Ltd.
Jan Ferguson OAM BA, AICD	Highly skilled company director with 15 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 Chair of the Nature Foundation, the Deputy Chair of 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. Previously Chief Executive of the Cattle Council of Australia and more recently Managing Director of Meat and Livestock Australia and Non-Executive Director on various not-for-profit Agribusiness Boards. 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 international and domestic business management and Board governance and science based RD&E and commercialisation 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, Deputy Chair of ACT & SE NSW Helicopter Medical Rescue Service and Board member of e-Water Ltd, Simplicity Holdings IntL Pty Ltd, Rankin Securities Pty Ltd, Canberra ESOP Pty Limited and Capital Angels Pty Ltd and most recently a Department of Industry, Science Energy and Resources National Commercialisation Adviser.
Glen Saunders AM BSc, MSc, PhD	More than 40 years' experience in pest animal management and research. Conducted extensive research with particular focus on improving management strategies for invasives species. Professional qualifications include a PhD from Bristol University (UK) and an MSc from Macquarie University. A wide range of senior research and management leadership roles including as Director of Invasive Plants and Animals and as Senior Principal Research Scientist in NSW DPI and Director of Research in the Invasive Animals CRC. Past President of the Australasian Wildlife Management Society (AWMS) and has served on many committees which have successfully guided invasives species management activities both nationally and internationally. Awarded the Medal of the Order of Australia in 2010 for service to the protection of Australia's biodiversity and agricultural production as a research leader in vertebrate pest management strategies and technologies and the winner of the Australian Wildlife Management Society Graeme Caughley Medal in 2007.

# INVASIVE ANIMALS LIMITED

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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 (Ormith.)

## 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		Nominations Committee	
	No. eligible to attend	2019-20	No. eligible to attend	2019-20	No. eligible to attend	2019-20	No. eligible to attend	2019-20	No. eligible to attend	2019-20
<b>Number of meetings held for the year:</b>	7		5		4		4		2	
<b>Number of meetings attended:</b>										
<i>Directors</i>										
Helen Cathles (Chair)	7	6*	2	2	5	5				
Jan Ferguson	7	7					4	4		
Peter Noble (Chair Governance & Remuneration Committee)	7	6*			5	5			2	2
David Palmer	7	7	5	5						
Murray Rankin (Chair Audit & Risk Comm)	7	7	5	5					2	2
Glen Saunders (Chair Research Excellence Comm)	7	6*					4	4		
<i>Nominations Committee Members</i>										
Mr Matt Koval - as representative of the Commonwealth Dept of Agriculture, Water & Environment (Chair Nominations Comm)	-	-	-	-	-	-			2	2
Mr Bruce Christie - as representative of the Environment & Invasives Committee									2	1*
Ms Adrienne Ryan - as representative of the National Farmers Federation	-	-	-	-	-	-			2	2
Mr Michael Rosier - as representative of a State Government									2	2

\* Directors were on leave at the time of an Extraordinary meeting.

\* 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  
Mr David Palmer  
Ms Helen Cathles – optional invitee

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 at any time during the year were:

Mr Peter Noble - Chair  
Ms Helen Cathles

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

# INVASIVE ANIMALS LIMITED

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## 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 AM – Chair  
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 2019 - 20 year included:

Mr Matt Koval – Chair  
Mr Bruce Christie  
Mr Michael Rosier  
Ms Adrienne Ryan  
Mr Murray Rankin  
Mr Peter Noble

## Likely Developments - Strategies and Future Prospects

During the 2019-20 year the IAL Board continued with the establishment of the Centre for Invasive Species Solutions (CISS). The Centre receives core funding through the Commonwealth Department of Agriculture, Water and the Environment augmented by additional resources from all States and the ACT, Research and Development Corporations, universities and the NZ Department of Conservation. The first portfolio of projects - Portfolio No. 1 - had its agreement executed by all sixteen parties on 29<sup>th</sup> 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. This includes through a broadened scope to cover vertebrate pests, weeds and environmental invertebrates and diseases, and revenue diversification including attracting new investment by seeking Deductible Gift Recipient status. To consolidate the CISS mission beyond 2022, the Centre has commenced planning for a biosecurity/invasives RD&E futures initiative to drive innovation on priority areas and species around surveillance and diagnostics, biocontrol, integrated landscape management and community engagement.

During March 2020 CISS responded to the impact of the COVID 19 global pandemic. Overall, the impact on administration of the Centre and operations has been limited to minimal delays on fieldwork and research activities. As part of the CISS response the IAL Board and management team implemented a COVID 19 Plan and Policy to ensure a compliant workplace management policy was developed and implemented. To date, there have been no adverse responses or incidents and the Board's Work, Health and Safety duties have been met. Financial savings were achieved during the year ended 30 June 2020 in relation to travel and accommodation costs with the deferral of conferences and remote, rather than in person, meeting attendance. The company also received and accrued a total of \$100,000 from the Federal Government as part of the COVID 19 cash boost initiative which has been included in the June 2020 financial result.

The COVID 19 situation continues to be monitored to ensure the company responds as required to the pandemic impacts.

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

Dated this 28th day of September 2020



Helen Cathles (Chair)

# INVASIVE ANIMALS LIMITED

ABN 33 114 965 276

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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 2020 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 28th day of September 2020



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**Helen Cathles (Chair)**

# INVASIVE ANIMALS LIMITED

ABN: 33 114 965 276

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>REVENUE</b>			
Revenue from ordinary activities	3	8,883,506	7,723,950
Revenue from In-kind contributions	4	6,102,223	5,412,768
<b>TOTAL REVENUE</b>		<u>14,985,729</u>	<u>13,136,718</u>
<b>EXPENSES</b>			
Board and Governance		(194,673)	(207,734)
Administration Expenses		(1,208,137)	(1,184,445)
Program Management		(7,180,741)	(6,186,572)
Pigout Royalties distributed to PAC CRC		(1,792)	(1,501)
In-kind contributions		(6,102,223)	(5,412,768)
<b>TOTAL EXPENSES</b>		<u>(14,687,566)</u>	<u>(12,993,020)</u>
<b>Net operating surplus/(deficit) for the year</b>		298,163	143,698
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>298,163</u>	<u>143,698</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 2020

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	6,507,262	7,559,727
Receivables	8	131,618	149,728
Other current assets	9	14,669	1,007
<b>TOTAL CURRENT ASSETS</b>		<u>6,653,549</u>	<u>7,710,462</u>
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	10	106,987	-
<b>TOTAL NON CURRENT ASSETS</b>		<u>106,987</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>6,760,536</u>	<u>7,710,462</u>
<b>CURRENT LIABILITIES</b>			
Payables	11	472,716	550,454
Unearned Revenue from Contracts	12	4,384,074	5,649,512
Provisions	13	177,645	149,547
Lease Liability	14	49,295	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>5,083,730</u>	<u>6,349,513</u>
<b>NON CURRENT LIABILITIES</b>			
Unearned Revenue from Contracts	12	60,611	113,599
Provisions	13	77,434	65,422
Lease Liability	14	58,670	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>196,715</u>	<u>179,021</u>
<b>TOTAL LIABILITIES</b>		<u>5,280,445</u>	<u>6,528,534</u>
<b>NET ASSETS</b>		<u>1,480,091</u>	<u>1,181,928</u>
<b>ACCUMULATED FUNDS</b>			
Accumulated surplus		1,480,091	1,181,928
<b>TOTAL ACCUMULATED FUNDS</b>		<u>1,480,091</u>	<u>1,181,928</u>

The accompanying notes form part of these financial statements

# INVASIVE ANIMALS LIMITED

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## STATEMENT OF CASH FLOWS AS AT JUNE 2020

	Note	2020 \$	2019 \$
<b>Operating activities</b>			
Receipts from grants		6,855,498	7,831,051
Receipts from members		1,479,869	1,466,800
Interest received		102,667	78,268
Payments to suppliers		<u>(9,439,849)</u>	<u>(8,216,805)</u>
<b>Net cash generated (used)</b>	6	<u>(1,001,815)</u>	<u>1,159,314</u>
<b>Financing activities</b>			
Payment of Principal – Lease Liability		(48,262)	-
Interest expense – Lease Liability		<u>(2,388)</u>	<u>-</u>
<b>Net cash generated (used)</b>		<u>(50,650)</u>	<u>-</u>
Net movement in cash and cash equivalents		(1,052,465)	1,159,314
Cash and cash equivalents at beginning of year		<u>7,559,727</u>	<u>6,400,413</u>
<b>Cash and cash equivalents at end of year</b>	5	<u><u>6,507,262</u></u>	<u><u>7,559,727</u></u>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

### Retained Surplus

Balance at beginning of the year	1,181,928	1,038,230
Net operating surplus / (deficit) for the year	<u>298,163</u>	<u>143,698</u>
<b>Balance at end of the year</b>	<u>1,480,091</u>	<u>1,181,928</u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2020**

**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, in Australian dollars 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.

The Company has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2019.

New and revised Standards and amendments and interpretations effective for the current year that are relevant to the Company include:

AASB 15 - *Revenue from Contracts with Customers*: Further information on this revenue recognition standard can be found in Note 3.

AASB 16 – *Leases* (as was earlier advised in Note 14 ‘Lease Commitments’ in the 2019 Financial Reports): The adoption of this new Standard has resulted in the Company recognising on 1 July 2019 a right-of-use asset of \$156,228 and related lease liability \$156,228 in connection with its one former operating office lease in the Statement of Financial Position. Prior periods have not been restated. Further information on the right-of-use asset and related lease liability can be found in Notes 10 and 14.

**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 maximise 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:

<b>Note index</b>			
<i>Description</i>	<i>Note No.</i>	<i>Description</i>	<i>Note No.</i>
<b>Performance</b>			
Revenue.....	3	Unearned Revenue from Contracts.....	12
In-kind Contributions.....	4	Provisions.....	13
		Lease Liability.....	14
<b>Cash Management</b>		<b>People and relationships</b>	
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NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2020

**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).

Contracts for Services including Administration Fees

Contracts for Services including Administration Fees (within the scope of AASB 15 Revenue from Contracts with Customers) are recognised at 'a point in time' when performance obligations have been met (i.e. completion of project milestones or on the holding of events) and any unearned balance at year end is recorded as a current or non-current liability (Unearned Revenue from Contracts) in the statement of financial position.

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.

Members Annual Contributions

The company's performance obligations relate to membership rights and privileges available to financial members in accordance with clause 6.2 of the Constitution.

The Company recognises revenue for member contributions in the financial year to which they relate and any amounts received in advance, in respect of future financial years, are recognised as unearned revenue (liability).

Royalties

Royalties (within the scope of AASB 9 *Financial Instruments*) are received quarterly in arrears and are recognised in the statement of comprehensive income as revenue when the amounts are received.

Interest

Interest income (within the scope of AASB 9 *Financial Instruments*) is accrued on a time - proportion basis, by reference to the principal outstanding and at the effective interest rate applicable

Other income

Other income (within the scope of AASB 1058 Income for Not for Profit Entities) such as government COVID-19 support is recognised as income in the period to which the amounts are received or are receivable

	2020 \$	2019 \$
<b>Revenue</b>		
Contracts for services	7,210,631	6,021,491
Members Annual Contributions	1,479,869	1,466,800
Administration fees	29,391	117,995
Royalties: PAC CRC	1,792	1,501
Royalties: IAL	446	1,796
Interest	61,377	114,368
Other Income	100,000	-
	8,883,506	7,723,950

**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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2020

**4. In Kind Contributions (Continued)**

	2020	2019
	\$	\$
<b>In Kind Contributions</b>		
Personnel In Kind Contributions	3,622,250	3,776,250
Non-Personnel In Kind Contributions	2,479,973	1,636,518
	<u>6,102,223</u>	<u>5,412,768</u>

**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.

	2020	2019
	\$	\$
Cash at bank and on hand	3,262,720	3,410,588
Term Deposits	3,244,542	4,149,139
	<u>6,507,262</u>	<u>7,559,727</u>

**6. Cash Flow Statement Information**

	2020	2019
	\$	\$
Reconciliation of operating surplus to net cash from operating activities:		
<i>Net Operating surplus/(Deficit) for the year</i>	298,163	143,698
Interest Expense – reclassification to financing activity	2,388	-
Depreciation Expense	49,241	-
<i>Changes in Assets and Liabilities:</i>		
Receivables	18,109	361,629
Payables	(77,737)	140,853
Prepayments	(13,662)	7,417
Provisions	40,110	45,137
Unearned Revenue from Contracts	(1,318,427)	460,581
Net cashflows from operating activities	<u>(1,001,815)</u>	<u>1,159,314</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 2020.

*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's 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2020

**7. Financial Risk Management(continued)**

**(b) Net Fair Values**

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

**(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	
	2020 %	2019 %	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Financial assets:										
Cash	0.36%	1.58%	6,507,162	7,559,627	-	-	100	100	6,507,262	7,559,727
Receivables	n/a	n/a		-	-	-	78,247	106,010	78,247	106,010
Total financial assets			6,507,162	7,559,627	-	-	78,347	106,110	6,585,509	7,665,837
Financial liabilities:										
Payables	n/a	n/a	-	-	-	-	424,908	471,598	424,908	471,598
Total financial liabilities			-	-	-	-	424,908	471,598	424,908	471,598

**OTHER OPERATING ASSETS AND LIABILITIES**

**8. Receivables**

Receivables are recognised and carried at amortised cost, based on the original invoice amount less a provision for expected credit losses. 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 2020 (2019: nil).

	2020 \$	2019 \$
Trade debtors	78,247	28,234
Net BAS Refund	-	77,776
Accrued income	53,371	43,718
	<u>131,618</u>	<u>149,728</u>

**9. Other financial assets**

Prepayments	14,669	1,007
	<u>14,669</u>	<u>1,007</u>

**10. Property, Plant and Equipment (continued)**

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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.

Included in Property, Plant and Equipment is the right-of-use asset over the office premises at the University of Canberra. In accordance with AASB 16 this has been recognised as referred to in Note 1 Basis of Preparation for the first time in this financial year. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2020

**10. Property, Plant and Equipment (continued)**

**Depreciation**

The depreciable amount of all fixed assets is 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
Right-of Use Assets	38 months

	2020 \$	2019 \$
Office Building	156,228	-
Accumulated Depreciation and impairment losses	(49,241)	-
	<u>106,987</u>	<u>-</u>
<b>Reconciliation of the carrying amount of equipment</b>		
Carrying amount at beginning of the period	-	-
Opening balance adjustment on initial recognition of leases under AASB 16	156,228	-
Depreciation expense	(49,241)	-
Carrying amount at the end of the financial year	<u>106,987</u>	<u>-</u>

**11. Payables**

Payables are recognised amounts to be paid in the future for goods and services that are carried at amortised cost. 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.

	2020 \$	2019 \$
<b>Payables</b>		
<b>Current</b>		
Trade and other creditors	192,619	471,598
Accrued expenses	3,636	35,285
Short term employee accruals	44,172	43,571
Net BAS Payable	232,289	-
	<u>472,716</u>	<u>550,454</u>

**12. Unearned Revenue from Contracts**

*Current*

Grants/Contracted services unearned balance	4,154,629	5,589,512
Conferences and events revenue received in advance *	229,445	60,000
	<u>4,384,074</u>	<u>5,649,512</u>

*Non-current*

Grants/Contracted services unearned balance	60,611	113,599
TOTAL Unearned Revenue from Contracts	<u>4,444,685</u>	<u>5,763,111</u>

\* This amount includes \$183,828 of net funding for the Australian Vertebrate Pest Conference (AVPC) which has been postponed until 24-27 May 2021 due to the COVID 19 pandemic and all accounts were transferred to CISS from the conference managers at year end. The AVPC liability account reflects all registrations, sponsorships and deposits paid to Conference Logistics prior to June 30. A cash equivalent is held in a trust bank account held by CISS

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2020

**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.

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 2020) 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.

<b>Employee Provisions</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current		
Employee Benefits:		
Annual leave	103,141	83,324
Long service leave (vested)	<u>74,504</u>	<u>66,223</u>
	<u>177,645</u>	<u>149,547</u>
Non-current		
Long service leave (unvested)	<u>77,434</u>	<u>65,422</u>
	<u>77,434</u>	<u>65,422</u>

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2020**

**14. Leases**

The Company has a lease for the Office in Canberra which is reflected on the Statement of Financial Position as a right-of-use asset and a lease liability. The Company classifies its right-of-use asset in a consistent manner to any property, plant and equipment (see note 10)

The Company lease for premises expires on 31 August 2022.

Lease liabilities are presented in the Statement of Financial Position as follows:

	2020 \$	2019 \$
<b><u>Lease Liabilities</u></b>		
Current	49,295	-
Non-current	58,670	-
	<u>107,965</u>	<u>-</u>

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the standard government interest rate of 1.84%.

	\$
<b><u>Minimum lease payments due</u></b>	
	<b>1 – 3 years</b>
Principal payments	107,965
Finance costs	2,084
	<u>110,049</u>

**15. Remuneration of Key Management Personnel**

Income received or due and receivable by Key Management Personnel

***Management Staff***

	2020 \$	2019 \$
Salary – short term benefits	590,415	614,876
Annual Leave – other short term benefits	11,820	(2,661)
Long Service leave – long term benefits	10,874	34,966
Superannuation – post employment benefits	53,744	52,337
Total compensation for Management staff	<u>666,853</u>	<u>699,518</u>

***Directors***

Salary – short term benefits	128,784	150,260
Superannuation – post directorship benefits	33,810	12,516
Total compensation for Directors	<u>162,594</u>	<u>162,776</u>
Total compensation for Key Management Personnel	<u>829,447</u>	<u>862,294</u>

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2020**

**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 in the 2019 year only:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
NSW Department of Primary Industries (Associated Director: Dr Andrew Sanger, Director, Invasive Plants and Animals Branch, NSW DPI)	-	115,140

Payments 2019 relate to research projects: ALC-C-010: RHD Boost Plus; ALC-C-013: Wild Dog Alert and ALC-C-008 PAPP Lethal Trap Device.

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.

In relation to Murray Rankin, he is currently an Independent Director of Snedden Hall and Gallop Lawyers Pty Ltd as disclosed in the Director's Report (page 3) and is a standing entry on the Company's register of declarations. The Company engages their respective legal services from time to time and all transactions are conducted on an arm's length basis and Mr Rankin has no role in engaging their services or their advice given. Mr Rankin does not receive any benefit or remuneration from any transactions.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b><u>17. Auditors Remuneration</u></b>		
Remuneration of auditor for:		
Audit of Financial Statements	15,680	16,200
Other audit services	3,035	10,900
	<u>18,715</u>	<u>27,100</u>

## NOTES TO THE FINANCIAL STATEMENT - YEAR ENDED 30 JUNE 2020

### 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 2020.

#### 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, Water and the Environment (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 2020 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 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.