

Invasive Animals Limited and controlled entity

ABN 33 114 965 276

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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 Group being those of IAL and its controlled entity, Invasive Species Solutions Trust (ISST), for the financial year ended 30 June 2023.

Short and long-term objectives and strategy

The Group was established to be a non-profit institution to promote a managed and co-operative approach to Research Development & Extension (RD&E) in the field of invasive species management to maximise the benefits from that RD&E.

The Group's short-term objective is to continue its work promoting and managing strategic RD&E through the Centre for Invasive Species Solutions (CISS), and finalise the delivery of its first RD&E project portfolio – Portfolio No. 1. Portfolio No.1 was funded through a five-year agreement between the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF), all States and the ACT, two industry Research and Development Corporations, five universities and the NZ Department of Conservation. Portfolio No. 1 commenced in 2017 and finishes in 2023. In addition, the Group is attracting further funding from state governments and industry bodies to further pursue its objectives.

The Group's long-term objective is to secure the Centre for Invasive Species Solutions (CISS) as a permanent national collaborative invasive species institution that enables and drives a more coordinated and efficient approach to invasive species management across Australia's National Biosecurity System. This will include pursuing a broader RD&E scope that covers vertebrate pests, weeds and environmental invertebrates and diseases, and diversifies revenue by attracting additional project funding that aligns with the CISS strategy, including deductible gift receipts through the Public Fund.

Strategy for achieving the objectives

The Group's strategic priority areas and how we will achieve them:

1. Strategic Collaboration	2. Integrated solutions	3. Capability and adoption	4. Efficient and effective Centre
Focusing on partnerships and collaborations to leverage, lead and amplify outcomes.	Focusing on research, innovation and engagement (R,I&E) to advance large-scale coordination and breakthroughs.	Focusing on acceleration of best practice management adoption to build communities of impact.	Focusing on internal governance and operations, financial management, effective communication, and skilled staff.

Principal activities

The Group's principal activities during the year included:

- Implementation and finalization of a range of activities in accordance with the Portfolio No.1 Agreement, including publishing of all outputs.
- Deliver a range of additional RD&E projects including:
 - Computer vision weeds ID App;
 - Coordination of a National Environment & Community Biosecurity RD&E Strategy;
 - Increased support for established vertebrate pest National Coordinators;
 - Genetic biocontrol Technology for mouse management; and
 - Enhanced preparedness to diagnose 200+ priority pests and diseases of NSW and Australian Agriculture.
- Continued promotion of invasive species best practice management, such as the upgrading of PestSmart and WeedsAustralia online toolkits.
- Operation of the Invasive Species Solution Trust and Public Fund to diversify revenue streams for the Group and facilitate tax deductible donations to the Group.

How these Activities assist in achieving the Group's objectives

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

- Establish a powerful 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 benefits for the end-user and/or the broader community.

Performance measurement

The Group measures performance through an evaluation framework which includes:

- the Centre Plan where the strategy is operationalized and guidance is provided on achieving the Centre's objectives outputs and KPIs
- the Portfolio Logic Framework and Monitoring, Evaluation, Reporting and Improvement (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, Governance & Remuneration Committee and Research Excellence Committee; and
- external financial review by independent auditors.

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

ABN: 33 114 965 276

Directors

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

Names and qualifications	Experience, special responsibilities, and other Directorships
Bruce M Christie, Chair BVSc, MANZCVS, GAICD	Over 40 years of experience working in biosecurity, initially as a veterinarian dealing with animal health and production issues and then across the broader biosecurity spectrum of animal and plant pests, diseases, and weeds. He retired from the position of Deputy Director General Biosecurity and Food Safety with the NSW Department of Primary Industries (NSW DPI) in September 2020 and left NSW DPI January 2022. He was elected to the IAL Board and Chair position in November 2020. He has previously been a Director of Animal Health Australia, retired November 2020. He is currently a volunteer program manager with World Relief Australia, and Chair of the World Relief Australia Management Group, Conserve Our World - Indonesia, Chair of the McGarvie Smith Institute, an advisory member of the Board for the Centre of Excellence for Biosecurity Risk Analysis (CEBRA) and Advisory committee member for the Biosecurity and Agricultural Management Act in WA. See note 17 for related party disclosures.
Jan Ferguson OAM BA, AICD	Highly skilled company director with 18 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, 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 she is the non-remunerated Chair of the Nature Foundation Limited, Chair of the Outback Communities Authority, member of Heritage Council of SA and Secretary of Beltana Progress Association. See note 17 for related party disclosures.
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. Formerly held numerous appointments including academic, industrial, and business including directorship of Australian Country Choice Ltd (retired 30 June 2023) and Adjunct Professor University of New England (retired 30 June 2023).
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, Managing Director of Rankin Securities Pty Ltd, Board member of ACT & SE NSW Helicopter Medical Rescue Service, e-Water Ltd, Simplexity Holdings Intl Pty Ltd, Canberra ESOP Pty Limited and Capital Angels Pty Ltd. See note 17 for related party disclosures.
Robbie Davis BAGSc, MBA, GAICD	Broad experience in both the private and public sectors domestically and internationally, and at Board level as a Non-Executive Director and reporting to a Board in the capacity of CEO. Her involvement in biosecurity has been extensive including as a representative on Primary Industries & Regions SA (PIRSA) Biosecurity SA's Plant Health Technical Reference Panel, Market Access Program Working Group, and Stakeholder Reference Group. She resigned from the position as CEO of Potatoes South Australia Inc. in December 2020. Her current positions include Fight Food Waste – Non-Executive Director, Limestone Coast Landscape Board – Director, Rural Bank Agribusiness Advisory Board – Member, Puree Australia Pty Ltd – Company Secretary and Shareholder. See note 17 for related party disclosures.
Justin Bellanger B.Sc.(Hons.) GAICD AFAIM ADV.DIP. L&M	Over 26 years of experience including leading organisations and groups involved in managing natural resources in Australia, addressing a variety of issues including biosecurity and invasive species management. His current positions include Chair of Biosecurity Council of Western Australia; NRM WA – CEO; Independent Chair Aquaculture Council of WA; Biosecurity consultant with NRM Regions Australia and Bio Inspecta - Contract Auditor. He was elected to the IAL Board in November 2022. See note 17 for related party disclosures
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, Managing Director of Meat and Livestock Australia and Non-Executive Director on various not-for-profit Agribusiness Boards. He is currently a Director of Soapyflat Investments (SMSF). Retired from the IAL Board in November 2022.

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

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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Public Officers

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

Names	Qualifications	Dates
Lucie Hassall	BBus, ICAA	Appointed 14 August 2020

Meetings of Directors

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

	Board Meetings		Audit and Risk Committee		Governance & Remuneration Committee		Research Excellence Committee		Fundraising Management Committee		Nominations Committee	
	No. eligible to attend	2022-23	No. eligible to attend	2022-23	No. eligible to attend	2022-23	No. eligible to attend	2022-23	No. eligible to attend	2022-23	No. eligible to attend	2022-23
Number of meetings held for the year:	4		5		3		2		4		3	
Number of meetings attended:												
Directors												
Bruce Christie (Chair)	4	4					2	2			3	3
Jan Ferguson (Chair Research Excellence Comm)	4	4					2	2	2	2	3	3
Peter Noble (Chair Fundraising Management Committee) *	4	3			3	3			4	4		
David Palmer (to 9 November 2022)	2	2	3	3								
Murray Rankin (Chair Audit & Risk Comm)	4	4	5	5								
Robbie Davis (Chair Governance & Remuneration Committee)	4	4			3	3			4	4		
Justin Bellanger (from 9 November 2022)	2	2	2	2					2	2		
Nominations Committee Members												
Mark Simpson - as representative of the Commonwealth Dept of Agriculture, Water & Environment (Chair Nominations Comm)											3	3
Malcolm Letts- (QDAF - Queensland) as representative of a State Government											3	3
Lisien Loan (DEW - SA) - as representative of a State Government											3	3
Robyn Bryant/Fiona Simson * - as representative of the National Farmers Federation											3	2

* Apology

Audit & Risk Committee

The Audit & Risk Committee (ARC) operates under Terms of Reference approved by the Board. The members of the ARC at any time during the year were:

Mr Murray Rankin - Chair
 Mr David Palmer (to November 2022)
 Mr Justin Bellanger (from November 2022)
 Mr Bruce Christie– optional invitee

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

Governance and Remuneration Committee

The Governance and Remuneration Committee (GRC) operates under Terms of Reference approved by the Board. The members of the GRC at any time during the year were:

Ms Robbie Davis Chair
 Mr Peter Noble
 Mr Bruce Christie– optional invitee

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

Research Excellence Committee

The Research Excellence Committee (REC) operates under Terms of Reference approved by the Board. The members of the Research Excellence Committee at any time during the year were:

Ms Jan Ferguson OAM – Chair
 Mr Bruce Christie

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

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ISST Fund Management Committee

The ISST Fund Management Committee (FMC) operates under Terms of Reference approved by the Board. The members of the FMC at any time during the year were:

Mr Peter Noble - Chair
Ms Jan Ferguson OAM (to October 2022)
Ms Robbie Davis
Mr Justin Bellanger (from November 2022)

The Chief Executive Officer and the Fundraising Manager are invited to FMC meetings at the discretion of the committee.

Investment Committee

The Investment Committee (IC) operates under Terms of Reference approved by the Board. The IC consists of a representative from each full Member of IAL and non-Member RDC partners investing in the ISS2030 Initiative. The Chair of the REC, the Chair of the ARC, Chief Executive Officer and the Portfolio Director are also members of the IC. The Committee met once during the year.

Ms Jan Ferguson OAM – Chair

Nominations Committee

The Nomination Committee (NC) operates under Terms of Reference approved by the Board. The NC for the 2022-23 year included:

Name	Position
Mr Mark Simpson	Chair
Mr Bruce Christie	IAL Director representative
Ms Jan Ferguson	IAL Director representative
Mr Malcolm Letts	State member (Queensland)
Ms Robyn Byrant	National Farmers Federation representative
Ms Lisien Loan	State member (SA)

Likely Developments - Strategies and Future Prospects

During the 2022-23 year the IAL Board continued the operation of CISS. The Centre receives core funding from our full members, DAFF, the States, ACT, CSIRO and MLA, augmented by additional resources from the States, Research and Development Corporations, and universities.

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 diversifies revenue by attracting new investment, aligning with the CISS strategy, and/or the Invasive Species Solutions Public Fund which has Deductible Gift Recipient status. To consolidate the CISS mission beyond 2023, the Centre has developed a set of projects, to drive innovation on priority areas and invasive species around invasive animals and weeds. These projects are organised into innovation platforms:

1. Integrated vertebrate pest animal surveillance, coordination and management,
2. Terrestrial vertebrate pest management tools and systems,
3. Integrated invasive fish management tools and systems,
4. Genetic and biocontrol tools for vertebrate pest management (terrestrial and aquatic),
5. Integrated weed management community engagement,
6. Genetic and biocontrol tools for weeds, and
7. Invertebrate pest management and coordination

CISS will continue to work with members and other potential funders to progress these priority areas in the coming financial year.

The surplus of \$162,817 for the year to June 2023 (FY23) was above budget and the prior year of \$87,817 (FY22) primarily due to the increased income from term deposit interest and contract management administration fees and savings in relation to employee, legal and software costs. In FY23, there have been no adverse responses or incidents and the IAL Board's Work, Health and Safety duties have been met.

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

Dated this 4th day of October 2023



Bruce M Christie (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 consolidated Group's financial position as at 30 June 2023 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 Invasive Animals Limited 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 4th day of October 2023

A handwritten signature in black ink, appearing to be 'Bruce M Christie', written in a cursive style.

Bruce M Christie (Chair)

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
REVENUE			
Revenue from ordinary activities	3	9,057,289	10,654,497
Revenue from In-kind contributions	4	3,887,204	9,989,326
TOTAL REVENUE		<u>12,944,493</u>	<u>20,643,823</u>
EXPENSES			
Board and Governance		(213,596)	(202,572)
Administration Expenses		(1,712,195)	(1,535,009)
Program Management		(6,967,814)	(8,828,046)
Pigout Royalties distributed to PAC CRC		(867)	(1,053)
In-kind contributions		(3,887,204)	(9,989,326)
TOTAL EXPENSES		<u>(12,781,676)</u>	<u>(20,556,006)</u>
Net operating surplus for the year		<u>162,817</u>	<u>87,817</u>
Other comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>162,817</u>	<u>87,817</u>

The accompanying notes form part of these consolidated financial statements.

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	5	10,104,947	14,350,752
Receivables	8	239,058	933,960
Other current assets	9	21,417	14,746
TOTAL CURRENT ASSETS		10,365,422	15,299,458
NON CURRENT ASSETS			
Property, plant and equipment	10	211,080	26,324
TOTAL NON CURRENT ASSETS		211,080	26,324
TOTAL ASSETS		10,576,502	15,325,782
CURRENT LIABILITIES			
Payables	11	486,793	209,547
Unearned Revenue from Contracts	12	4,738,169	8,433,649
Employee Provisions	14	319,657	286,986
Lease liability	15	85,167	31,555
TOTAL CURRENT LIABILITIES		5,629,786	8,961,737
NON CURRENT LIABILITIES			
Unearned Revenue from Contracts	12	2,934,523	4,627,935
Employee Provisions	14	-	15,944
Lease liability	15	129,210	-
TOTAL NON CURRENT LIABILITIES		3,063,733	4,643,879
TOTAL LIABILITIES		8,693,519	13,605,616
NET ASSETS		1,882,983	1,720,166
ACCUMULATED FUNDS			
Retained surplus		1,882,973	1,720,156
Trust settled sum		10	10
TOTAL ACCUMULATED FUNDS		1,882,983	1,720,166

The accompanying notes form part of these consolidated financial statements.

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Operating activities			
Receipts from grants		2,476,211	12,490,880
Receipts from members		2,108,362	1,521,404
Receipts from sale of publications, conferences and royalties		39,340	12,828
Donations		5,235	3,630
Interest received		161,791	27,553
Payments to suppliers		(8,954,917)	(11,795,121)
Net cash generated	6	<u>(4,163,978)</u>	<u>2,261,174</u>
Financing activities			
Payment of Principal – Lease Liability		(79,209)	(72,785)
Interest Expense - Lease Liability		(2,618)	(1,200)
Net cash used		<u>(81,827)</u>	<u>(73,985)</u>
Net movement in cash and cash equivalents		(4,245,805)	2,187,189
Cash and cash equivalents at beginning of year		14,350,752	12,163,563
Cash and cash equivalents at end of year	5	<u><u>10,104,947</u></u>	<u><u>14,350,752</u></u>

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

ACCUMULATED FUNDS	2023 \$	2022 \$
<u>Retained Surplus</u>		
Balance at beginning of the year	1,720,156	1,632,339
Net operating surplus for the year	<u>162,817</u>	<u>87,817</u>
Balance at end of the year	1,882,973	1,720,156
<u>Trust settled sum</u>		
Balance at beginning of the year	10	10
Contribution on settling of trust	<u>-</u>	<u>-</u>
Balance at end of the year	<u>10</u>	<u>10</u>
Accumulated Funds at end of the year	<u><u>1,882,983</u></u>	<u><u>1,720,166</u></u>

The accompanying notes form part of these consolidated financial statements.

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

1. Reporting Entity

The consolidated financial statements and notes represent those of Invasive Animals Limited (IAL) and the entity it controls, Invasive Species Solutions Trust (collectively referred to as the Group).

IAL is the Group's parent company which is a public company limited by guarantee. The nature of the operations and principal activities are described in Note 19.

From 15 September 2020, IAL was appointed as the Trustee for the Invasive Species Solutions Trust (ISST). The ISST and the related Public Fund, known as the Invasive Species Solutions Fund, were formally established by deed on 15 September 2020 (Trust Deed) and the Public Fund was entered in the Register of Environmental Organisations and Deductible Gift Recipient (DGR) status granted on 7 December 2020. ISST was registered with the Australian Charities and Not-for-profits Commission (ACNC) from 1 July 2021.

2. Basis of Preparation

The consolidated general purpose financial statements have been prepared in accordance with Accounting Standards (AIFRS), 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*. A statement of compliance with International Financial Reporting Standards cannot be made due to the Group applying the not-for-profit sector specific requirements contained in the AIFRS.

The financial statements have been prepared on an accrual basis, in Australian dollars and in accordance with the historical cost convention. The financial statements do 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.

2a. Basis of Consolidation

The consolidated general purpose financial statements of the Group incorporate the financial statements of IAL and the controlled entity (ISST including the Public Fund as described in Note 1).

Control is achieved when IAL, as the Trustee:

- has the power over the related entity;
- is exposed, or has rights, to variable returns from its involvement with the related entity; and
- has the ability to use its power to affect its returns.

The IAL Board is the Trustee for ISST and the related Public Fund.

Income and expenses of ISST are accounted for during the year and are included in the consolidated statement of comprehensive income effective from 1 July 2020.

All transactions and balances between IAL and the ISST are eliminated on consolidation. Amounts reported in the financial statements of the ISST have been adjusted where necessary to ensure consistency with the accounting policies adopted by IAL.

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INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

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 IAL.

Members Annual Contributions

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

The Group recognises revenue for member contributions (within the scope of AASB 15 *Revenue from Contracts with Customers*) in the financial year to which the membership rights and privileges are provided (i.e. consistently over the annual membership period) 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*) is recognised as income in the period to which the amounts are received or are receivable. AVPC18 income has been grossed up to reflect the total revenue and total expenses.

		2023	2022
		\$	\$
Revenue	Contract revenue timing		
Contracts for services	recognised at a point in time	6,462,708	8,726,781
Members Annual Contributions *	recognised over time	2,108,362	1,521,404
Administration fees	recognised at a point in time	174,968	327,317
Royalties: PAC CRC		867	1,053
Royalties: IAL		840	2,523
Interest		278,560	27,553
Other Income	recognised at a point in time	30,984	47,866
		<u>9,057,289</u>	<u>10,654,497</u>

* Members Annual Contributions for 2023 includes the funding of the research team which was included in Contracts for services category in 2022 (\$591,631)

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

4. In Kind Contributions

In Kind contribution of resources (research or other professional staff and/or specialist facilities and infrastructure) is contributed to the Group 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.

	2023	2022
	\$	\$
In Kind Contributions		
Personnel In Kind Contributions	1,489,000	5,387,500
Non-Personnel In Kind Contributions	2,398,204	4,601,826
	<u>3,887,204</u>	<u>9,989,326</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.

Cash at bank and on hand	2,289,814	8,769,415
Term Deposits	7,809,631	5,577,764
Cash at bank - Invasive Species Solutions Trust and Public Fund	5,502	3,573
	<u>10,104,947</u>	<u>14,350,752</u>

6. Cash Flow Statement Information

	2023	2022
	\$	\$
Reconciliation of operating surplus to net cash from operating activities:		
<i>Net Operating surplus for the year</i>	162,817	87,817
Interest Expense – reclassification to financing activity	2,618	1,200
Depreciation Expense	77,274	63,177
<i>Changes in Assets and Liabilities:</i>		
Receivables	694,902	722,084
Payables	327,191	(811,832)
Prepayments	(6,671)	(232)
Provisions	16,727	71,513
Unearned Revenue from Contracts	(5,438,836)	2,127,447
Net cashflows from operating activities	<u>(4,163,978)</u>	<u>2,261,174</u>

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

Note 7: Financial Risk Management

(a) Financial Risk Management Policies

The Group's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise from the operations of the Group. The Group does not have any derivative instruments at 30 June 2023.

Financial Risk Exposures and Management

The main risks arising from the Group'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 Group's exposure to market risk for changes in interest rates relates primarily to its holdings of cash and cash equivalents. The Group'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 Group'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 Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by it. The Group manages credit risk by maintaining cash deposits with established financial institutions.

Liquidity risk

The Group has no external funding or facilities in place. The Group 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.

(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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets:										
Cash	3.56%	0.62%	2,295,106	8,772,778	7,809,631	5,577,764	210	200	10,104,947	14,350,742
Receivables	n/a	n/a	-	-	-	-	122,289	927,109	122,289	927,109
Total financial assets			2,295,106	8,772,778	7,809,631	5,577,764	122,499	927,309	10,227,236	15,277,851
Financial liabilities:										
Payables	n/a	n/a	-	-	-	-	432,018	154,305	432,018	154,305
Total financial liabilities			-	-	-	-	432,018	154,305	432,018	154,305

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

ABN: 33 114 965 276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

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 2023 (2022: nil).

	2023	2022
	\$	\$
Trade debtors	122,289	927,109
Accrued income	116,769	6,851
	<u>239,058</u>	<u>933,960</u>

Note 9: Other current assets

Prepayments	21,417	14,746
	<u>21,417</u>	<u>14,746</u>

Note 10: Property, Plant and Equipment

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 *Leases* this has been recognised as referred to in Note 2 Basis of Preparation. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group 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	29 months

Equipment and office lease right of use	262,030	201,918
Accumulated Depreciation and impairment losses	(50,950)	(175,594)
	<u>211,080</u>	<u>26,324</u>

Reconciliation of the carrying amount

Carrying amount at beginning of the period	26,324	89,500
Recognition of new lease	262,030	-
Depreciation expense	(77,274)	(63,176)
Carrying amount at the end of the financial year	<u>211,080</u>	<u>26,324</u>

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

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.

	2023	2022
	\$	\$
Payables		
Current		
Trade creditors and accrued expenses	421,225	77,817
Short term employee accruals	54,775	55,242
Net GST Payable	10,793	76,488
	<u>486,793</u>	<u>209,547</u>
12. Unearned Revenue from Contracts		
Current		
Grants/Contracted services unearned balance	4,564,500	8,373,377
Membership and other fees received in advance	173,669	60,272
	<u>4,738,169</u>	<u>8,433,649</u>
Non-current		
Grants/Contracted services unearned balance	2,883,767	4,622,935
Membership and conference fees received in advance	50,756	5,000
	<u>2,934,523</u>	<u>4,627,935</u>
TOTAL Unearned Revenue from Contracts	<u>7,672,692</u>	<u>13,061,584</u>

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

PARENT ENTITY INFORMATION

13. Information relating to Invasive Animals Ltd (IAL) the parent entity

	2023	2022
	\$	\$
ASSETS		
Current assets	10,359,920	15,295,879
Non current assets	211,080	26,324
TOTAL ASSETS	<u>10,571,000</u>	<u>15,322,203</u>
LIABILITIES		
Current liabilities	5,629,793	8,961,737
Non current liabilities	3,063,733	4,643,879
TOTAL LIABILITIES	<u>8,693,526</u>	<u>13,605,616</u>
EQUITY		
Retained earnings	1,877,474	1,716,587
TOTAL EQUITY	<u>1,877,474</u>	<u>1,716,587</u>
STATEMENT OF COMPREHENSIVE INCOME		
Net operating surplus for the year	160,887	84,248
TOTAL COMPREHENSIVE INCOME	<u>160,887</u>	<u>84,248</u>

At 30 June 2023, IAL had not entered into any contractual commitment for the acquisition of property, plant and equipment, nor does it have any contingent liabilities at year end.

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

PEOPLE AND RELATIONSHIPS

14. Employee Provisions

Short-term employee benefits

Provision is made for the Group'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 Group 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 Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their entitlement.

The Group'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 Group classifies employees' long service leave 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 Group'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 Group's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Group 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 Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (10.5% of the employee's average ordinary salary in 2023) 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 Group'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 Group's statement of financial position.

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

14. Employee Provisions (continued)

	2023	2022
	\$	\$
Employee Provisions		
Current		
Employee Benefits		
Annual leave	156,553	162,109
Long service leave (vested)	163,104	124,877
	<u>319,657</u>	<u>286,986</u>
Non-current		
Long service leave (unvested)	-	15,944
	<u>-</u>	<u>15,944</u>

15. Leases

The Group 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 Group classifies its right-of-use asset in a consistent manner to any property, plant and equipment (see note 10).

The Group lease for premises expires on 30 November 2023 with an option to renew on an annual basis.

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

Lease Liabilities

Current	85,167	31,555
Non-current	129,210	-
	<u>214,377</u>	<u>31,555</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%.

	\$	\$
<u>Leasing commitments:</u>		
Minimum lease payments		
within 1 year	88,270	31,653
1 to 5 years	130,817	-
	<u>219,087</u>	<u>31,653</u>
Future finance costs	(4,710)	(98)
	<u>214,377</u>	<u>31,555</u>

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

16. Remuneration of Key Management Personnel	2023	2022
	\$	\$
Income received or due and receivable by Key Management Personnel (KMP)		
Management Staff		
Salary – short term benefits	483,439	599,407
Annual Leave – other short term benefits	55,465	61,081
Long Service leave – long term benefits	8,591	8,535
Superannuation – post employment benefits	51,197	58,924
Total compensation for Management staff	<u>598,692</u>	<u>727,947</u>
Directors		
Salary – short term benefits	147,197	147,811
Superannuation – post directorship benefits	15,455	14,781
Total compensation for Directors	<u>162,652</u>	<u>162,592</u>
Total compensation for Key Management Personnel	<u>761,344</u>	<u>890,539</u>

17. Related Parties Disclosures

No remuneration was received, or due and receivable, by any director of the Group from the Group or any Director related entities, for management of the Group, except for that disclosed in note 16 and the funding provided to the following:

NSW Department of Primary Industries (Mr Bruce Christie, Deputy Director General Biosecurity and Food Safety with NSW DPI, until 14 January 2022). The Group made payments to NSW DPI in relation to specific research projects contracted with NSW DPI. Total related party payments to NSW DPI for the financial year June 2022 to 14 January 2022 was \$1,179,566.

During the June 2022 financial year to 14 January 2022 the Group invoiced NSW DPI (excl Membership fees) for \$601,975 for performance of invasive species and weeds related contracts for delivery between June 2021 and June 2025. All transactions with Director related entities were conducted on an arm's length basis. For all the NSW DPI project contracts, Mr Christie had no role in securing nor authority to negotiate these contracts.

In relation to Murray Rankin, he is currently the Chair and Independent Director of Snedden Hall and Gallop Lawyers Pty Ltd (SHG) and eWater Pty Ltd (eWater) as disclosed in the Director's Report (page 3) and is a standing entry on the Group's Register of Declarations. The Group engaged SHG 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. Total transactions with SHG for June 23 were \$nil (June 22 were \$8,584).

In relation to Jan Ferguson OAM, she is currently the Chair of Nature Foundation Limited. Nature Foundation Limited, is a charity, and became an Associate member of IAL in July 2021. The standard annual Associate fee of \$2,000 was received by the Group in September 2022 (July 2021 \$2,000). The rights of an Associate member are set out in Schedule 1 of the IAL Constitution. An Associate member has no voting rights.

In relation to Justin Bellanger, who is the CEO of NRM - WA that provides occasional biosecurity advice to NRM Regions Australia Ltd (an informally aligned National entity) and joined the IAL Board in November 2022. NRM Regions Australia Ltd is an Associate member of IAL. The standard annual Associate fee of \$2,000 was received by the Group in December 2022. The rights of an Associate member are set out in Schedule 1 of the IAL Constitution. An Associate member has no voting rights.

In relation to Robbie Davis, she is currently a Director of Limestone Coast Landscape Board. The Limestone Coast Landscape Board (in collaboration with all SA Landscape Boards) contributes c4% of the South Australia membership fee of \$77,170. The rights of a member are set out in Schedule 1 of the IAL Constitution.

From time-to-time IAL Directors will individually donate funds to the Invasive Species Solutions Trust. Amounts are not considered material for disclosure purposes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

18. Auditors Remuneration	2023	2022
	\$	\$
Remuneration of auditor for:		
Audit of IAL Financial Statements	22,930	22,550
Audit of ISST Financial Statements *	4,590	11,525
Other individual project audit services	9,870	1,900
	<u>37,390</u>	<u>35,975</u>

* 2022 amount of \$11,525 for the ISST reflects both the full 2021 and 2022 audit fees.

19. Summary of other Significant Policies and Information

Accounts Presentation

The classification 'Accumulated Funds' has been used in the accounts as the Group 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 statements 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 Group.

Key estimates - Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group 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 2023.

Economic Dependency

The Group 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 Group is reliant on the current and future financial support provided by the Commonwealth Department of Agriculture, Fisheries and Forestry (the Department) and other RD&E project funding provided by other IAL members. The current Commonwealth agreement ceases on 31 October 2023 and the other RD&E project funding secured continues into June 2024 and beyond. From 1 July 2023, IAL members have renewed their intention to pay membership for the 2024 financial year to fund the operations of the Centre.

The IAL 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 Group's economic viability and independence into the future.

Subsequent Events

The financial statements of the Group was authorised for issue on the date of signing the Directors' Report and Declaration. No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

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.

INVASIVE ANIMALS LIMITED and CONTROLLED ENTITY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2023

19. Summary of other Significant Policies and Information (continued)

Income tax

IAL 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. ISST is endorsed by the Australian Taxation Office as a Deductible Gift Recipient.

Impairment

At each reporting date, the Group 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 Group, 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 Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Members' Guarantee

IAL is limited by guarantee. If IAL is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Group. As at 30 June 2023 there were a total of ten members.

Parent Entity details

IAL is a Company limited by guarantee incorporated and domiciled in Australia. From July 2017 IAL has traded as the Centre for Invasive Species Solutions. The purpose of IAL 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. IAL continues to capitalise on its unique role in facilitating research collaboration and delivering ethical and humane invasive species solutions in Australia and beyond. The registered office and principal place of business of IAL is located at: Building 22, University of Canberra Bruce ACT 2617. During the year the principal activities of the IAL 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, IAL also continued to manage a series of research projects begun in current and prior years.

INDEPENDENT AUDITOR'S REPORT

To the members of Invasive Animals Limited

ABN 33 114 965 276

Opinion

We have audited the consolidated financial report of Invasive Animals Limited and its controlled entity ('the Group'), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2023, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group 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 Group's financial position as at 30 June 2023 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 Group 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 (Including Independence Standards)* (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 Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other

information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group 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 maintain 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 Group'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 Group'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 Group 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Eric Hummer
Audit Director
Bentleys ACT Pty Ltd
Authorised Audit Company No. 301280

4 October 2023