

AniMark®



Annual Report 2018/19





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About AniMark

AniMark is an independent Australian public company limited by guarantee, specialising in the development and adoption of standards-based certification programs.

AniMark's standards-setting process is based on science, research and international precedents.

AniMark's flagship certification program is the Livestock Global Assurance Program or LGAP, which aims to foster world's best practice in the welfare and management of livestock.

AniMark is governed by an independent skills-based Board with five members, including the Chair.



Our Purpose

To set standards and monitor conformance for the ethical handling and management of livestock.

Our Vision

To be the international leader in the certification of agricultural supply chains.

Our Foundations

AniMark is built on the foundations of independence, integrity and transparency.

Livestock Global Assurance Program (LGAP)

The Livestock Global Assurance Program, or LGAP, is AniMark's flagship certification program applicable to any organisation, in any industry, anywhere in the world wanting to demonstrate their commitment to ethical and sustainable animal welfare, husbandry and management practices.

The aim of LGAP is to foster world's best practice in the welfare and management of animals, encourage continuous improvement and provide assurances that effective animal welfare and management standards are in place and are being applied.

The Australian livestock export industry has chosen LGAP as the preferred program which assists in demonstrating compliance with the Australian Government's regulatory framework: the Exporter Supply Chain Assurance System (ESCAS).



LGAP at a glance



ANIMALS

LGAP promotes the humane and ethical treatment of livestock. It defines consistent, evidence-based, scientific standards and provides assurances that appropriate practices are being fulfilled.



LIVESTOCK INDUSTRY

LGAP provides an effective, direct and efficient mechanism to assist in the monitoring of animal welfare and management outcomes through the supply chain. The livestock export industry has chosen LGAP to demonstrate their compliance with the Australian Government's regulatory framework ESCAS.



AUSTRALIAN GOVERNMENT

LGAP is the regulatory enabler which complements and demonstrates compliance with ESCAS. LGAP delivers audit independence, direct supply chain accountability and provides an evidence-based approach to enforcing consequences.



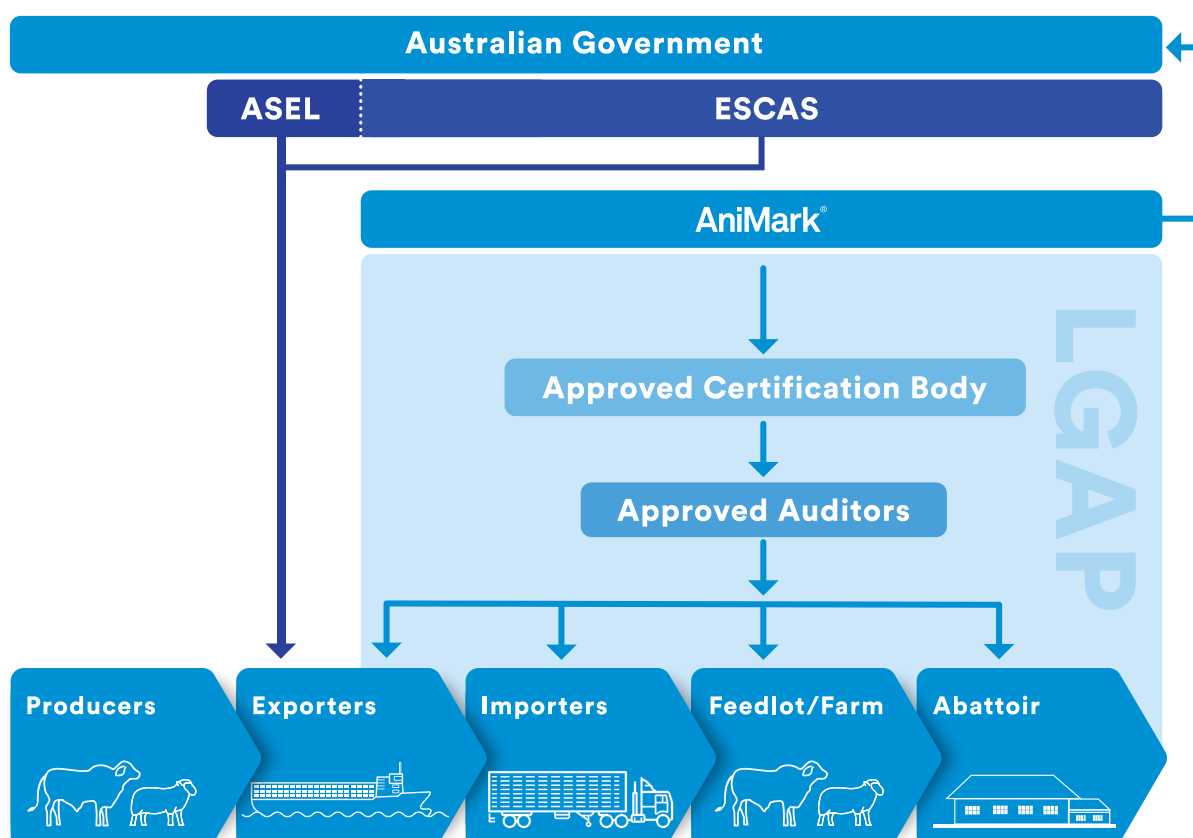
IN-COUNTRY PARTICIPANTS

LGAP provides opportunities for facilities and operators to improve standards and conduct their operations in line with internationally accepted animal welfare requirements, while demonstrating their commitment to ethical and sustainable standards.



COMMUNITY

The community can be confident that participants certified under LGAP are conforming to appropriate standards of animal welfare and management, are accountable for their performance and that the Australian Government maintains its regulatory oversight of the trade.



Chairman's Report



JIM CUDMORE

I am pleased to present AniMark's inaugural annual report. Setting up the organisation was a priority this year and following an application and selection process held from April-June 2018, three non-executive skills-based directors were appointed to the AniMark Board for an initial three-year term. I was appointed at this time- and also elected to the position of Chair. Kim Halbert and Campbell Hedley also joined the Board.

AniMark Ltd was formally established on 27 June 2018.

In March 2019 an additional two non-executive skills-based directors, Katie Payten and Peter Wells, were appointed to the Board as a result of a further selection process undertaken between December 2018 and February 2019.

A search was initiated for the company's inaugural Chief Executive Officer (CEO) in September 2018, with interviews being conducted in October. Dr Eliot Forbes was appointed in late 2018 and commenced work with AniMark in early January 2019.

The Board met on 14 occasions – 13 board meetings and 1 strategy planning day.

In addition, Greg Noonan was appointed as Program Manager and Michael Dahl, joined the organisation as Finance Manager.

Good governance is critical to AniMark's success and the Board has adopted the following framework to guide its operations:

- *Our Purpose* – to set standards and monitor conformance for the ethical handling and management of livestock

- *Our Vision* – to be the international leader in the certification of agricultural supply chains
- *Our Foundations* – independence, integrity and transparency

AniMark's constitution was approved pre-incorporation on 30 August 2018 by the company's founding members – Goat Industry Council of Australia (GICA), Australian Livestock Export Corporation (LiveCorp), Australian Livestock Exporters Council (ALEC), Cattle Council of Australia (CCA) and Sheep Producers Australia (SPA).

The first year of AniMark's activities has been both rewarding and challenging.

Rewarding in the sense that the company established a strong governance framework and assembled a highly skilled management team. We have also developed healthy working relationships with our founding members, the Minister's Office, the Live Animal Export division within the Department of Agriculture and Water Resources and a number of other key stakeholders.

There were a number of challenges over the first 12 months of operation, particularly in negotiating the finalisation of the Funding Deed between the Department and AniMark to ensure the company had a solid foundation from which to launch its activities.

These activities related to the developmental phases of the company as well as AniMark's flagship certification program, the Livestock Global Assurance Program, or LGAP. The dynamics within the political framework during the latter months of 2018, and again prior to the federal election in May 2019, also slowed our progress.

However, throughout the year company representatives met with both government, departmental and opposition stakeholders to provide them with an update on AniMark's progress and specifically its LGAP Implementation Plan, and their support is appreciated.

The Board is also grateful for the continued strong support of its founding members, who have been continually appraised of AniMark's activities, challenges and resolutions.

Other stakeholders, including the RSPCA, have been provided with an overview of LGAP and a two-way dialogue has resulted.

Although captured in a number of forums and presentations over the year, there are significant opportunities that AniMark and LGAP can provide to government, industry and our livestock customers.

AniMark is a small company with an agile mindset, independent from industry and government. The positive response to AniMark's work from both a ministerial and departmental perspective, along with industry's appetite to adopt LGAP, indicates a bright future for the company.

AniMark has undertaken considerable analysis on the first markets in which to launch LGAP, specifically relating to risk and complexity.

The Board's primary focus has been on ensuring the success of the program and the viability of the company.

AniMark has also been sensitive to the fact that when LGAP's roll out commences, a range of stakeholder expectations and demands need to be addressed.

In conclusion, I would like to acknowledge the significant support provided to the company by both past and present Ministers for Agriculture.

The support of the Secretary of the Department of Agriculture and Water Resources and his team has also been appreciated. Despite a number of changes in departmental personnel through the first phases of executing our strategy, the Department has been supportive and progressed funding commitments and policy development.

The founding members have displayed vision and a strong commitment in the developmental phases of the company. We are confident we can transform that vision into a viable business opportunity that services its customers without fear or favour.

I would particularly like to single out the efforts of LiveCorp in our formative stages, when a great deal of work was undertaken to ensure we established a good governance structure for the company from day one. The efforts of Meat & Livestock Australia in assisting us with program development have also been greatly appreciated.

Dr Forbes and I have met with a large number of exporters since January, and we have really appreciated their guidance on a number of fronts.

May I encourage all involved in the industry to avail themselves of every opportunity to increase our understanding of the complexities around the trade, and also our intended initiatives.

Finally, I would like to express my appreciation to the Board and management team. The first six months of operation required significant additional effort from Kim and Campbell – for which I am grateful. Katie and Peter also committed to front-loading our efforts since March in the search for a conformance system solution – I have appreciated their significant additional contribution.

The AniMark Board is well supported by our CEO Dr Eliot Forbes. Eliot has brought a thoughtful and very professional approach to our organisation. We appreciate his strong business acumen and willingness to engage with all our stakeholders. Greg Noonan and Michael Dahl have also been welcome additions to our very small team of highly skilled individuals.

I look forward to sharing AniMark's annual progress next year.



JIM CUDMORE
CHAIRMAN

CEO's Report



DR ELIOT FORBES

The Livestock Global Assurance Program (LGAP) is a new, transformational program designed to foster the world's best practice in the welfare and management of livestock. The program will provide confidence to regulators, stakeholders and the community, that Australian livestock continue to be treated in a humane and ethical manner once they leave our shores. AniMark has been established to deliver LGAP and I was pleased to join the company as its inaugural CEO in January 2019.

Establishing a new company with an ambitious global remit is a substantial endeavour, however fortunately LiveCorp had already invested considerable time and effort into establishing our corporate foundations. Building on the groundwork established by LiveCorp, AniMark assumed full responsibility for the progression of all strategic and operational initiatives from January 2019.

AniMark's primary focus for FY19 has been to complete the enabling work that will permit the company to launch operations in FY20. Headline workstreams included the company establishment initiatives, stakeholder engagement, company operations and preparatory work for program launch.

COMPANY ESTABLISHMENT

In accordance with the original Grant Deed funding obligations, the company was required to prepare and submit an Implementation Plan to the Department of Agriculture and Water Resources (DAWR). The Implementation Plan provides an outline of tasks and milestones for the establishment of the company, risk management issues, the LGAP implementation schedule, deliverables, reporting requirements and an indicative budget. The Implementation Plan was premised

on many elements of the LGAP Implementation Steering Committee's (LISC) Final Report (September 2017) and provides an important roadmap for the operationalisation of the company.

Relevant corporate policies and procedures have been developed and adopted to guide AniMark's business operations, reflecting the company's values: respect those we work with; believe that the work we do will make a positive difference; connecting through communications and teamwork; always strive for excellence; and lastly to take responsibility and deliver results.

A small office was established in Brisbane, all insurance and banking arrangements have been put in place and trademark registrations for the name and logo of AniMark initiated. The trademark has been registered in Australia and Kuwait and is currently underway for Indonesia, Vietnam, China, Japan, Malaysia, Qatar, United Arab Emirates and Turkey.

Registration for GST was also completed and AniMark applied to the Australian Taxation Office for a Private Ruling in relation to income tax exemption status. The application for a Private Ruling was submitted in July 2019 with an outcome pending later this calendar year.

In order to begin operations in-market, AniMark needs to be appointed as a “Third Party Provider of Assurance” (TPPA) by the Australian Government. Draft policies were developed by the LISC and will require legislative amendments to take effect.

The company has apportioned significant time and resources to the refinement of the draft policy for consideration by DAWR. The timing is yet to be finalised for approval of the policy framework, associated legislative processes and the Government’s subsequent approval of AniMark as a TPPA.

STAKEHOLDER ENGAGEMENT

As a new entity, AniMark is conscious of the need to build engagement with a large cross-section of stakeholders, including its founding members, government, other industry bodies (such as Meat & Livestock Australia) and exporters. It has been important to clearly communicate the LGAP value proposition to stakeholders and ensure relevant parties are kept abreast of the company’s development and progress.

A comprehensive communications strategy has been developed to guide AniMark’s stakeholder and community engagement. The company has presented at many industry forums across the country and engaged with exporters and market participants, to help inform its planned program launch.

The AniMark website was launched just outside the reporting period, allowing for interested stakeholders to gain a more thorough understanding of both AniMark and LGAP.

In-market preparation for the roll out of LGAP has also required engagement with suitable Approved Certification Bodies who will deliver audits in-market against the LGAP standards.

With the foundational understandings built with domestic stakeholders, AniMark will now work with industry participants to begin in-country discussions in the coming year, as part of the LGAP market roll out.

OPERATIONS

Under the Board’s guidance, strategic planning, risk management and organisational design frameworks have been established.

Recruitment for key leadership roles commenced and the Program Manager and Finance Manager roles have been filled by high calibre individuals. Organisational resource levels have been intentionally “light” in order to minimise expenses during the start-up phase. Once commercial operations commence, AniMark will scale its resource base according to operational requirements.

Accounting, finance and payroll systems have been implemented and sophisticated financial forecasting models have been developed to assist with strategic planning, budgeting and cash management.

LGAP IN FOCUS

AniMark has undertaken considerable analysis on the first market(s) in which to launch LGAP. The Board’s primary focus is on ensuring the success of the program and the viability of the company. The Board has determined that AniMark will commence detailed investigations into the following markets, for

the initial market launch of LGAP: Japan, Kuwait and then Indonesia. The company is cognisant of the important lead-up communication and awareness work that will need to be undertaken in-market, in the run-up to LGAP’s launch.

One of the key challenges being addressed to ensure the appropriate administration of LGAP, is the development of a fit-for-purpose information technology (IT) conformance system.

The original LGAP pilot conducted in 2015/16, utilised a modified “off the shelf” IT system as the test bed for initial proof of concept. Due to factors beyond our control, that system is not able to be re-commissioned, forcing a major rethink on the IT conformance system required to deliver LGAP.

AniMark engaged consulting firm Deloitte to complete a market review of IT options and the Board adopted the report and its recommendations in July 2019. With procurement processes now underway, the company will soon be in a position to identify revised program launch timelines.

Control and Traceability (C&T) remains a key theme for industry as the implementation of LGAP progresses. While much work and analysis has been completed by industry bodies on the issue of C&T, an unequivocal, robust pathway forward has not yet been identified and agreed. So as not to delay the procurement of the IT conformance system, C&T elements have been isolated from LGAP and deferred from the initial system requirements.



AniMark has been investigating an appropriate and practical C&T approach that could be integrated with LGAP and work is continuing regarding the feasibility, IT platform and commerciality of AniMark operating/facilitating a global livestock traceability service. In the interim, AniMark intends to launch LGAP with the current standards and certification rules as originally designed, which still require participants to have their own C&T system in place and which will be audited by AniMark or its agents.

FUNDING

In May 2017, the Australian Government committed to provide \$8.3m (ex GST) over four years to assist with the implementation of LGAP. On behalf of the founding members, LiveCorp executed a Grant Deed in December 2017 for the initial \$1.4m (ex GST) and initiated arrangements for the creation of AniMark as a new company.

In April 2019, AniMark executed a Deed of Novation and Variation that allowed for the unspent portion of those initial funds, \$0.693m (ex GST) to be transferred from LiveCorp to AniMark. An additional Grant Deed was executed directly with DAWR in April 2019 for a further \$4.9m (ex GST) to be paid in instalments over the next three years. Arrangements for the balance of promised funding (\$2m ex GST) are still to be agreed with government.

The company's commercial revenue model was developed by LISC and was premised upon AniMark charging a "throughput membership fee" for participation in the program. The committee's report anticipated that the government would realise significant savings as the LGAP program came online and reduce its throughput charge providing AniMark an opportunity to levy a similar fee in lieu of government.

DAWR has recently indicated to AniMark that it does not foresee any reduction of its current industry throughput fees, which presents challenges for AniMark's intended business model. Discussions with government and industry are ongoing in this regard.

The "throughput membership fee" anticipated by the LISC also included a "fee for service" C&T system to be provided by AniMark to exporters. As much work still needs to be undertaken before a commercial C&T service can be launched, the company has accordingly deferred the timing of C&T revenue expectations.

LOOKING AHEAD

The first year of AniMark's operations has seen some important milestones achieved, with a Board and management team appointed, all core business arrangements established, first markets identified, website launched and IT procurement underway. However, there remain several critical challenges that must be substantively addressed before the company is in a position to launch LGAP:

- AniMark must secure the approval of the Australian Government to become recognised as a Third Party Provider of Assurance. Timing for approval is currently uncertain.
- Factors outside the control of the company have impacted the progression of procuring and implementing an IT conformance system. Following the receipt of expert advice from Deloitte, the company is now expediting a procurement strategy, so FY20 launch targets can be realised.
- AniMark's financial sustainability will depend upon ensuring all government funding commitments are realised and the identification and adoption of a suitable revenue model that is acceptable to the market.

None of these challenges are insurmountable, though they reflect a series of circumstances that have provided some major obstacles to the timely and effective launch of LGAP.

However, the outlook is positive and AniMark remains well-placed to implement LGAP, the company's flagship certification program for organisations wanting to demonstrate their commitment to ethical and sustainable animal welfare, husbandry and management practices.

AniMark would not be at this stage of its development without the vision and commitment of its founding members. It is important to acknowledge the significant work LiveCorp has undertaken to progress the establishment of the company; and also acknowledge the support from MLA across a range of initiatives.

Finally, I'd like to thank the Board and my management team for their support during this initial phase. I look forward to working together with all stakeholders, as AniMark becomes fully operational and LGAP is launched to the market.



DR ELIOT FORBES
CEO

Board of Directors



JIM CUDMORE

JIM CUDMORE – CHAIRMAN

Mr Cudmore has an extensive leadership background in commercial agriculture and a passion for continual improvement in the cattle and beef industry. He works with companies and organisations in designing and implementing strategies that enhance their capabilities in the Australian cattle and beef value chain.

Mr Cudmore's skills and experience include strategic planning, systems improvement, chain of custody, quality assurance, integrity systems, auditing, governance, risk and livestock management.

Mr Cudmore has previously served as a non-executive director for the Red Meat Advisory Council, Australian Lot Feeders Association (Chair 2008-12), Stockyard Pty Ltd, Canon Hayes Pty Ltd, as an executive director for

Kerwee Lot Feeders Pty Ltd, and is currently a non-executive director for Agricircle Pty Ltd. Mr Cudmore is also a founding member of the Australian Beef Sustainability Framework Steering Group, a member of the Advanced Livestock Measurement Technology Steering Group and current Chair of the Feedlot Industry Accreditation Committee.

Mr Cudmore holds a Bachelor of Science Degree (Biochemistry and Microbiology) from the University of Queensland, a Certificate in Rural Management from the Queensland Institute of Technology, is a Graduate and Fellow of the Australian Rural Leadership Program and a Graduate and Member of the Australian Institute of Company Directors.



CAMPBELL HEDLEY

CAMPBELL HEDLEY

Mr Hedley is a lawyer and risk professional with skills and experience including environmental, social and corporate governance, risk management, animal welfare compliance, securities and trading compliance, litigation and dispute resolution.

Mr Hedley provides legal, risk & governance consulting services, predominantly to the not-for-profit sector. He was previously General Manager of Corporate Services, General Counsel and Company Secretary of Paraway Pastoral Company Limited. Prior to this, he worked for Macquarie Group Limited (2007 – 2015) as Division Director and Head of Legal of the Macquarie Securities Group in Asia.

Mr Hedley served as Chairman of Orange Racing Limited and President and Committee Member of Petersham Rugby Union Football Club. He is currently a director and founder of Two Heads Brewing Pty Ltd and Secretary of Emus Rugby Club Limited.

Mr Hedley has a Bachelor of Laws and Bachelor of Business from the University of Technology Sydney and a Graduate Diploma of Applied Corporate Governance.



KIM HALBERT

KIM HALBERT

Mr Halbert is a Western Australian primary producer who has operated a successful farming operation of grain and livestock for the past 38 years. He has a combination of skills and experience from grain, livestock and seedstock production, government policy, corporate leadership, through to finance, risk and auditing.

Mr Halbert has served in a number of non-executive director positions including Deputy Chair of the Grains Research and Development Corporation (GRDC), an inaugural director of Wheat Exports Australia, Director of the Grain Licensing Authority in Western Australia, Director of Geraldton Port

Authority and Director of Mid-West Ports Authority. Currently, Mr Halbert is a Director of Plant Health Australia and Wheat Quality Australia.

Mr Halbert has undertaken large strategic planning processes while on the Board of GRDC and Mid-West Ports Authority, chairing the GRDC and the Mid-West Ports Authority Finance Risk and Audit committees, and the Commercialisation Committee at GRDC.

Mr Halbert has a Bachelor of Commerce (Economics and Finance) from Curtin University and is a Graduate of the Australian Institute of Company Directors (GAICD).



KATHRYN PAYTEN

KATHRYN PAYTEN

Ms Payten is a Senior Technology Executive with a career that spans over 25 years at IBM, Lend Lease and MLC.

Currently the Director of Technology Assurance and Governance at ASIC, Ms Payten is responsible for IT corporate governance, the successful delivery of technology projects, and continuous improvement to enhance strategic delivery and drive value.

Ms Payten reports regularly to the Risk and Audit Committees, with responsibility for audit traceability, identifying and mitigating operational and strategic risks, and ensuring adherence to operational controls and the compliance framework.

Ms Payten has delivered complex business transformation projects spanning banking and finance, HR, construction and government legislative outcomes, reporting

to Board and Commission level. She has set up and managed large global operations teams (150+ people) and managed C-level stakeholder relationships.

Ms Payten is a Graduate of the Australian Institute of Company Directors (GAICD), a member of the Industry Advisory Board – University of Technology Sydney Engineering and IT Faculty, and a member of the Artificial Intelligence and Ethics Committee – Australian Computer Society.

She holds a Masters of Commerce (Finance and Organisational Behaviour) from UNSW, and a Bachelor of Information Technology from UTS.



PETER WELLS

PETER WELLS

Mr Wells is an experienced executive and board director, has held public sector executive roles and served as CEO of CPSIIG. He has a broad government and private sector background spanning transport, natural resources, environment, customer service and landuse planning. He worked in operational and policy roles responsible for regulation and compliance, licencing, IT programs, controlling and granting access rights, financial regulation and in governance and risk control.

Mr Wells was Executive Director Safety & Compliance, at the NSW Roads and Maritime Services from 2010-2016. Prior to this he held Director and General Manager roles in the NSW Government for more than 10 years.

Mr Wells was responsible for managing the NSW customer and regulatory functions for heavy and light vehicles, licensing and registration and business systems covering large state-wide functions now delivered in collaboration with Service NSW.

Mr Wells has a professional interest in several key areas: leadership and setting strategic direction for organisations and work teams; service delivery and continuous improvement; policy development and implementation; regulatory compliance and enforcement; collaboration with industry to improve policy and regulatory outcomes; positive engagement of top management, staff and the community; and governance and ethics.

Mr Wells is a Graduate of the Australian Institute of Company Directors (AICD), has a Bachelor degree from UNSW, a Masters' degrees from Sydney University and possesses over 20 years' experience in customer service, regulation and enforcement.

AniMark®



AniMark Ltd

ABN 28 627 096 691

Financial Statements

For the period from date of incorporation ,
27 June 2018 to 30 June 2019

AniMark Ltd**Directors' report****For the period from date of incorporation, 27 June 2018, to 30 June 2019**

The directors present their report, together with the financial statements of AniMark Ltd (referred to hereafter as the company) for the period from date of incorporation, 27 June 2018, to 30 June 2019.

Directors

The following persons were directors of AniMark Ltd for the period from date of incorporation, 27 June 2018, to 30 June 2019 and up to the date of this report, unless otherwise stated:

James Cudmore
 Kim Halbert
 Campbell Hedley
 Kathryn Payten (appointed on 26 March 2019)
 Peter Wells (appointed on 26 March 2019)

Objectives

The short-term objective of the company is the commencement of auditing and certification services in relation to the Livestock Global Assurance Program (LGAP) in nominated first markets.

The long-term objective is to have LGAP fully operational in all international markets receiving Australian livestock.

Strategy for achieving the objectives

In early 2019, the company submitted an Implementation Plan to the Department of Agriculture and Water Resources (DAWR). The plan outlines the establishment of the company, risk management issues, the LGAP implementation schedule, deliverables, reporting requirements and an indicative budget. The plan was based on the LGAP Implementation Steering Committee's (LISC) Final Report (September 2017) and provides an important roadmap for the operationalisation of the company.

Principal activities

During the period from date of incorporation, 27 June 2018, to 30 June 2019 the principal activity of the company has been the establishment systems and frameworks in preparation for the provision of auditing and certification services in relation to the LGAP to commence in the 2020 calendar year.

Performance measures

The company remains firmly in start-up mode and measures its performance against the milestones contained in the Implementation Plan around delivery of services into first markets.

Information on directors

Name:	James Cudmore
Title:	Non-Executive Chairman
Qualifications:	B.Sc. (Biochem & Micro), Dip.RM, GAICD, FARLP
Experience and expertise:	Mr Cudmore has an extensive leadership background in commercial agriculture and a passion for continual improvement in the cattle and beef industry. He works with companies and organisations in designing and implementing strategies that enhance their capabilities in the Australian cattle and beef value chain.
	Mr Cudmore's skills and experience include strategic planning, systems improvement, chain of custody, quality assurance, integrity systems, auditing, governance, risk and livestock management.

AniMark Ltd
Directors' report
For the period from date of incorporation, 27 June 2018, to 30 June 2019

Name: **Kim Halbert**
Title: Non-Executive Director
Qualifications: B. Com (Econ&Fin) GAICD
Experience and expertise: Mr Halbert is a Western Australian primary producer who has operated a successful farming operation of grain and livestock for the past 38 years. He has a combination of skills and experience from grain, livestock and seedstock production, government policy, corporate leadership, through to finance, risk and auditing.

Mr Halbert has served in a number of non-executive director positions including Deputy Chair of the Grains Research and Development Corporation (GRDC), an inaugural director of Wheat Exports Australia, Director of the Grain Licensing Authority in Western Australia, Director of Geraldton Port Authority and Director of Mid-West Ports Authority. Currently, Mr Halbert is a Director of Plant Health Australia and Wheat Quality Australia.

Name: **Campbell Hedley**
Title: Non-Executive Director
Qualifications: LLB BBus FGIA FCIS
Experience and expertise: Mr Hedley is a lawyer and risk professional with skills and experience including environmental, social and corporate governance, risk management, animal welfare compliance, securities and trading compliance, litigation and dispute resolution.

Mr Hedley provides legal, risk & governance consulting services, predominantly to the not-for-profit sector. He was previously General Manager of Corporate Services, General Counsel and Company Secretary of Paraway Pastoral Company Limited. Prior to this, he worked for Macquarie Group Limited (2007 – 2015) as Division Director and Head of Legal of the Macquarie Securities Group in Asia.

Name: **Peter Wells** (appointed on 26 March 2019)
Title: Non-Executive Director
Qualifications: BSc MScMed GAICD
Experience and expertise: Mr Wells is an experienced Executive and Board Director, has held public sector executive roles and served as CEO of CPSIIG. He has a broad Government and Private Sector background spanning Transport, Natural Resources, Environment, Customer Service and Urban Planning. He worked in operational and policy roles responsible for Regulation and Compliance, Licencing, IT Programs, controlling and granting Access rights, Financial Regulation and in Governance and Risk Control.

Name: **Kathryn Payten** (appointed 26 March 2019)
Title: Non-Executive Director
Qualifications: BInfTech MCom GAICD
Experience and expertise: Ms Payten is a Senior Technology Executive with a career that spans over 25 years at IBM, Lend Lease and MLC. Currently the Director of Technology Assurance and Governance at ASIC, Ms Payten is responsible for IT corporate governance, the successful delivery of technology projects, and continuous improvement to enhance strategic delivery and drive value.

Company secretary

Campbell Hedley (LLB BBus FGIA FCIS) has held the role of Company Secretary since 27 June 2018.

AniMark Ltd**Directors' report****For the period from date of incorporation, 27 June 2018, to 30 June 2019****Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the period from date of incorporation, 27 June 2018, to 30 June 2019, and the number of meetings attended by each director were:

	Board Attended	Held
James Cudmore	13	13
Kim Halbert	13	13
Campbell Hedley	12	13
Kathryn Payten	5	5
Peter Wells	5	5

Held: represents the number of meetings held during the time the director held office.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$100 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$500, based on 5 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



James Cudmore
Director

22 August 2019
Brisbane



To the Board of Directors of AniMark Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As audit partner for the audit of the financial statements of AniMark Limited for the financial period ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Sydney Audit Pty Ltd

Mark Boyle
Director

Sydney

Dated: 22 August 2019

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AniMark Ltd

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General information

The financial statements cover AniMark Ltd which had no controlled entities at the end of, or during, the period. The financial statements are presented in Australian dollars, which is AniMark Ltd.'s functional and presentation currency.

AniMark Ltd is an unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 August 2019. The directors have the power to amend and reissue the financial statements.

AniMark Ltd
Statement of profit or loss and other comprehensive income
For the period from date of incorporation, 27 June 2018, to 30 June 2019

		2019
		\$
Other Income	3	3,158,481
Expenses		
Employee benefits expense		(232,618)
General & administrative expense		(149,854)
Governance expense		(144,872)
		<u> </u>
Surplus before income tax expense		2,631,137
Income tax expense		<u> -</u>
Surplus after income tax expense for the year attributable to the members of AniMark Ltd		2,631,137
Other comprehensive income for the year, net of tax		<u> -</u>
Total comprehensive income for the year attributable to the members of AniMark Ltd		<u><u>2,631,137</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

AniMark Ltd
Statement of financial position
As at 30 June 2019

		2019
		\$
Assets		
Current assets		
Cash and cash equivalents	5	2,765,764
Other	6	19,247
Total current assets		<u>2,785,011</u>
Non-current assets		
Plant and equipment	7	6,413
Total non-current assets		<u>6,413</u>
Total assets		<u>2,791,424</u>
Liabilities		
Current liabilities		
Trade and other payables	8	124,247
Employee benefits	9	10,725
Other	10	<u>25,315</u>
Total current liabilities		<u>160,287</u>
Total liabilities		<u>160,287</u>
Net assets		<u><u>2,631,137</u></u>
Equity		
Retained surpluses	11	<u>2,631,137</u>
Total equity		<u><u>2,631,137</u></u>

The above statement of financial position should be read in conjunction with the accompanying notes

AniMark Ltd
Statement of changes in equity
For the period from date of incorporation, 27 June 2018, to 30 June 2019

	Retained surpluses	Total equity
Balance at 27 June 2018	-	-
Surplus after income tax expense for the year	2,631,137	2,631,137
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	2,631,137	2,631,137
Balance at 30 June 2019	<u>2,631,137</u>	<u>2,631,137</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

AniMark Ltd
Statement of cash flows
For the period from date of incorporation, 27 June 2018, to 30 June 2019

	2019
	\$
Cash flows from operating activities	
Proceeds from Government Grants	3,460,613
Payments to suppliers and employees (inclusive of GST)	(691,645)
Interest received	<u>3,493</u>
Net cash from operating activities	<u>2,772,461</u>
Cash flows from investing activities	
Payments for plant and equipment	<u>(6,697)</u>
Net cash used in investing activities	<u>(6,697)</u>
Net increase/(decrease) in cash and cash equivalents	2,765,764
Cash and cash equivalents at the beginning of the financial year	<u>-</u>
Cash and cash equivalents at the end of the financial year	<u><u>2,765,764</u></u>

5

The above statement of cash flows should be read in conjunction with the accompanying notes

AniMark Ltd**Notes to the financial statements****For the period from date of incorporation, 27 June 2018, to 30 June 2019****Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

The financial statements are presented in Australian dollars, which is AniMark Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The company had no foreign operations during the period.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Rendering of services revenue is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

AniMark Ltd**Notes to the financial statements****For the period from date of incorporation, 27 June 2018, to 30 June 2019****Note 1. Significant accounting policies (continued)***Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The company is exempt from income tax with the exception of Fringe Benefits Tax and Goods and Services Tax payable to the ATO which are recognised as incurred and accrued.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and credit card facilities.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Computer equipment	3-7 years
Plant and equipment under lease	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

AniMark Ltd**Notes to the financial statements****For the period from date of incorporation, 27 June 2018, to 30 June 2019****Note 1. Significant accounting policies (continued)**

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

AniMark Ltd**Notes to the financial statements****For the period from date of incorporation, 27 June 2018, to 30 June 2019****Note 1. Significant accounting policies (continued)****Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

AniMark Ltd**Notes to the financial statements****For the period from date of incorporation, 27 June 2018, to 30 June 2019****Note 2. Critical accounting judgements, estimates and assumptions (continued)**

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The company is not subject to income taxes in the jurisdictions in which it operates.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Other Income

	2019
	\$
Government grants	3,152,500
Interest	5,981
	<u>3,158,481</u>
	<u><u>3,158,481</u></u>

Note 4. Expenses

	2019
	\$
Surplus before income tax includes the following specific expenses:	
<i>Rental expense relating to operating leases</i>	
Total rental expense relating to operating leases	<u>15,168</u>
<i>Superannuation expense</i>	
Defined contribution superannuation expense	<u>22,974</u>

AniMark Ltd**Notes to the financial statements****For the period from date of incorporation, 27 June 2018, to 30 June 2019****Note 5. Current assets - cash and cash equivalents****2019****\$**

Cash at bank	515,764
Cash on term deposit	<u>2,250,000</u>
	<u><u>2,765,764</u></u>

Note 6. Current assets - other**2019****\$**

Accrued revenue	2,688
Prepayments	4,799
Debit card	492
GST	<u>11,268</u>
	<u><u>19,247</u></u>

Note 7. Non-current assets - plant and equipment**2019****\$**

Computer equipment - at cost	6,697
Less: Accumulated depreciation	<u>(284)</u>
	<u><u>6,413</u></u>

Note 8. Current liabilities - trade and other payables**2019****\$**

Trade payables	98,906
Accrued expenses	16,588
Credit cards	<u>8,753</u>
	<u><u>124,247</u></u>

Note 9. Current liabilities - employee benefits**2019****\$**

Employee benefits	<u>10,725</u>
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2019**\$****Note 10. Current liabilities - other**

Fringe benefits tax	1,363
Payroll clearing	<u>23,952</u>
	<u><u>25,315</u></u>

AniMark Ltd
Notes to the financial statements
For the period from date of incorporation, 27 June 2018, to 30 June 2019

Note 11. Equity - retained surpluses	2019
	\$
Retained surpluses at the beginning of the period	-
Surpluses after income tax expense for the period	2,631,137
Retained surpluses at the end of the period	<u>2,631,137</u>

Note 12. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2019
	\$
Aggregate compensation	<u>243,044</u>

Note 13. Contingent liabilities

During the period there were no matters of a contingent nature and as such a provision has not been provided within these financial statements.

Note 14. Commitments	2019
	\$
<i>Lease commitments - operating</i>	
Committed at the reporting date but not recognised as liabilities, payable:	
Within one year	5,055
One to five years	-
More than five years	-
	<u>5,055</u>

Operating lease commitments are contracted amounts for offices under non-cancellable operating leases expiring within one years with an option to extend. The lease has various escalation clauses. On renewal, the terms of the lease are renegotiated.

Note 15. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

There were no transactions that occurred with related parties.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

AniMark Ltd
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial period ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



James Cudmore
Director

22 August 2019
Brisbane



Independent Auditor's Report to the Members of AniMark Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AniMark Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the period then ended; and
- ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information comprises the information in AniMark Limited's annual report for the period ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

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

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

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

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Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our auditor's report.



Nexia Sydney Audit Pty Ltd



Mark Boyle
Director

Dated: 22 August 2019
Sydney





AniMark has been established to implement the Livestock Global Assurance Program, with the support of the Australian Government.

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