Annual Report

2021/22

Chairs Report

On behalf of the AniMark Board, I am pleased to present this Annual Report for AniMark for the 20021/22 financial year. This, notwithstanding the ongoing impacts of COVID 19 challenging international markets and economies across the world. Then culminating in the biosecurity challenges in the later part of the year with Lumpy Skin Disease and Foot and Mouth Disease being experienced in our very near large livestock trading partners in South East Asia. These impacts combined with tight operating profit margins continue to challenge the resilience and commitment of the Live Export industry in Australia and our in-market partners.

AniMark are committed to our core responsibilities and we will continue to support the industry by providing practical and viable animal welfare solutions to show accountability and compliance with the requirements of Australia's Export Supply Chain Assurance System (ESCAS).

The success of AniMark will always be dependent on both industry and the government's strong support, so we are very grateful of the ongoing commitment provided by all parties. AniMark's vision of being an international leader in the certification of agricultural supply chains continues but given the industry challenges outlined and following Industry's strong feedback received early in the year, we have taken the opportunity to reassess the actions proposed to implement LGAP.

As a result, AniMark has worked with key industry representatives to develop an enhanced and dynamic LGAP Implementation Plan. This new plan, which has been endorsed by the Australian Department of Fisheries and Forestry (DAFF) and Industry sets a new practical roadmap for AniMark's future in supporting Industry's compliance with ESCAS and the LGAP aspirations upon which AniMark was formed.

In conjunction with endorsing this new Implementation Plan, DAFF in May 2022 extended the LGAP Grant Agreement with AniMark for a revised Activity Completion Date of 30 June 2023 and an Agreement End Date of 31 December 2023. This additional time provides necessary additional capability to commence the roll-out of the new Implementation Plan.

Board and Management Changes

I take this opportunity to thank our founding Chair and Board members who left AniMark during the year. Under very challenging conditions, we are grateful for the contributions of retiring Board Members ***Jim Cudmore*** as former Chair, and Directors ***Kim Halbert*** and ***Cambell Hedley*** who have been instrumental in setting the sound foundation and focus that is AniMark today. We welcome new AniMark Director ***Terry Enright*** who joined the Board during the year. Terry is a great addition to the Board with his practical approach, being held in high regard by the industry and with many years' experience in the sector. I am also very grateful to have ***Katie Payten*** continue on as a Director to add her expertise and support for the coming year.

Thanks also to our Former Chief Executive Officer ***Dr Eliot Forbes*** and the management team who left us during the year. Eliot and his team's passion, professionalism and commitment for AniMark, the LGAP program and the sector, have been instrumental in delivering the quality foundational platform for AniMark that exists today.

Welcome to our new Chief Executive Officer, ***Stephen Barnard*** to AniMark. Stephen and our new Program Co-ordinator ***Magdalena Maziarz*** have commenced well with the charter to implement the new LGAP Implementation Plan and engage with stakeholders to deliver the long-term sustainable value proposition of AniMark for all of our Industry partners.

Stakeholder Engagement

Notwithstanding the industry challenges, I have been very buoyed and grateful for the support of our key stakeholders including our founding members LiveCorp, ALEC, SPA, CCA, GICA.

The Australian Government through DAFF and its committed team continue to assist AniMark in delivering on its ambitious mission to assist industry deliver sustainable support and improvements to Animal welfare across the live export sector in Australia and overseas. Based on the lessons learned over the initial LGAP implementation steps conducted so far, AniMark is looking forward to being heavily involved in the stakeholder engagement stages of the Department's recently commenced review of the ESCAS framework, policies, and process. A practical and supportive approach will be key to ensuring the continued improvement and ongoing results in animal welfare across the entire supply chain.

We are thankful for the support and constructive feedback received from ALEC, LiveCorp, the various Exporters and their state-based associations. This feedback and their commitment have been instrumental developing the revised LGAP Implementation Plan and its roll-out in building on Industry's commitment to animal welfare best practice. We will continue to consistently engage with and listen to the industry and DAFF in the ongoing development of the program. I encourage all industry participants to continue to provide feedback and be involved as necessary.

The revised LGAP Implementation plan

The revised LGAP Implementation Plan details the agreed steps that both AniMark and the live export industry will take to implement the Livestock Global Assurance Program. It has been developed to engage with and demonstrate commitment from the live export industry in a practical and efficient manner.

Over the next 12 months, AniMark will be focused on:

Stage 1 – Allocation of ESCAS Audits by AniMark in Indonesia and Vietnam - This will reduce duplication of ESCAS audits; assist to standardise facility naming conventions and avoid duplications; and build a foundation for moving from ESCAS to the LGAP structures/systems. AniMark's state-of-the-art IT conformance system will be utilised in this process.

Stage 1.5 - Review LGAP Standards and Rules – A post-implementation review of the standards and rules to ensure that they are fit-for-purpose. That is, simple and easy to understand, practical to implement and outcomes focused. The process will also facilitate working with DAFF and exporters on DAFF's review of ESCAS to ensure the standards are both properly aligned. We anticipate that this process will be completed early in the new year.

These next stages of focus will provide feedback and direction to facilitate AniMark's review and redevelopment of its long-term financial/funding model so as to reach financial self-sufficiency before the remaining grant funding concludes in December 2023.

AniMark's focus for the next 12 months is to continue to build a strong and sustainable business foundation and valued commercial proposition of trust to support the Live export industry in its world leading animal welfare obligations. AniMark's foundations of ***independence, integrity and transparency*** continue to underpin AniMark in our operations and everything that we do.

I thank our Founding Members; ALEC, LiveCorp, CCA, SPA, GICA as well as MLA, exporters and the AniMark Board and Management team as well as DAFF for their ongoing support.

We look forward to working with our founding members and key industry stakeholders in the coming year in achieving our shared goals for AniMark and the live export sector.

Peter Wells
Chair

AniMark Ltd

ABN 28 627 096 691

Financial Statements

30 June 2022

The directors present their report, together with the financial statements of AniMark Ltd (referred to hereafter as the company) for the year ended 30 June 2022.

Directors

The following persons were directors of AniMark Ltd during the whole financial year and up to the date of this report, unless otherwise stated:

Peter Wells
Kathryn Paten
Terence Enright (appointed on 11 January 2022)
Campbell Hedley (resigned on 24 August 2021)
Kim Halbert (resigned on 23 September 2021)
James Cudmore (resigned on 2 February 2022)

Principal activities

During the financial year, the principal activity of the company has been the establishment of systems and frameworks in preparation for the provision of auditing and certification services in relation to the Livestock Global Assurance Program (LGAP).

Review of operations

The deficit for the year amounted to $880,408 (30 June 2021 deficit: $32,960).

The ongoing impact of the Coronavirus (COVID-19) pandemic has continued to constrain operational activity. In September 2021, industry advised AniMark that due to the COVID-19 pandemic and the inability to travel internationally, industry had determined LGAP implementation was not possible for 18-24 months. Industry requested that implementation be paused, and the implementation plan reassessed.

The company continues to engage with industry and work on refining LGAP to meet their current requirements. Ensuring that LGAP remains relevant, effective and aligned with the regulatory framework is an ongoing responsibility and activity.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while its impact has been unfavourable up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as vaccination rates, maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2022 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.

Likely developments and expected results of operations

The company has been established by the Australian Government in collaboration with the Australian Live Export Industry to provide auditing and certification services in relation to LGAP. During the financial year ending 30 June 2022 the company received approval as a provider of Exporter Supply Chain Assurance Operations (ESCAO), at which point its future success determined by industry take up of LGAP and the ongoing implementation of a supportive policy environment by the Australian Government.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	**Peter Wells**
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 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.
Special responsibilities:	Chairman of the Rules & Integrity Committee

Name:	**Kathryn Payten**
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 Head of Digital – Cyber Security and Technology Risk at Woolworths Group, Ms Payten is responsible for the cyber security strategy and delivery for online customer systems. Katie has extensive experience in IT corporate governance, the successful delivery of technology projects, and continuous improvement to drive business value and customer outcomes.
Special responsibilities:	Member of the Rules & Integrity Committee

Name:	**Terence Enright**
Title:	Non-Executive Director
Qualifications:	GAICD Hon Doctorate Science in Agriculture
Experience and expertise:	Terry has been a livestock producer of sheep and cattle for 40 years in WA specialising in the production of sheep for live export and experience in all aspects of production, welfare, export, and husbandry. As Chair of LiveCorp from 2017-2019 and a director from 2010, Terry was closely involved in establishing AniMark and clearly understands the objectives of LGAP.
Special responsibilities:	Member of the Rules & Integrity Committee

Company Secretary

Campbell Hedley (LLB BBus FGIA FCIS) held the role of Company Secretary from 01 July 2021 to 24 August 2021. Tara Hastings held the role of Company Secretary from 30 September 2021 until 08 August 2022. Stephen Barnard was appointed Company Secretary on 08 August 2022 and holds this role as at the date of this report.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year to 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Rules & Integrity Committee	
	Attended	Held	Attended	Held
Kathryn Payten	7	7	-	-
Peter Wells	7	7	-	-
Terence Enright	3	3	-	-
James Cudmore	5	5	-	-
Kim Halbert	2	2	-	-
Campbell Hedley	1	1	-	-

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. 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.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors, executives, and members of the standards committee of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

Auditor

Nexia Sydney Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.
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

Peter Wells
Director

26 August 2022
Brisbane

Nexia Australia

Nexia Sydney Audit Pty Ltd
Level 16, 1 Market Street
Sydney NSW 2000
PO Box H195
Australia Square NSW 1215
p +61 2 9251 4600
f +61 2 9251 7138
e info@nexiasydney.com.au
w nexia.com.au

To the Board of Directors of AniMark Limited

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

As audit director for the audit of the financial statements of AniMark Limited for the financial period ended 30 June 2022, 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: 26 August 2022

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, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Tax Elements Pty Ltd Building 2, Suite 2, Level 2 50 McDougall Street Milton QLD 4064	Corporate House Level 2 52 McDougall Street Milton QLD 4064

A description of the nature of the entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 August 2022. 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 year ended 30 June 2022

	Note	2022 $	2021 $
Other Income	4	20,733	1,608,001
Expenses			
Employee benefits expense		(287,804)	(867,571)
General & administrative expense		(319,432)	(379,255)
Governance expense		(133,185)	(258,996)
Conformance System expense		(160,720)	(135,139)
(Deficit)/surplus before income tax expense		(880,408)	(32,960)
Income tax expense		-	-
(Deficit)/surplus after income tax expense for the year		(880,408)	(32,960)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(880,408)	(32,960)

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

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	2,211,495	3,160,720
Other	7	77,929	18,289
Total current assets		2,289,424	3,179,009
Non-current assets			
Plant and equipment	8	2,468	8,780
Right-of-use assets	9	-	-
Intangibles	10	483,841	607,377
Total non-current assets		486,309	616,157
Total assets		2,775,733	3,795,166
Liabilities			
Current liabilities			
Trade and other payables	11	23,455	124,843
Employee benefit provision	12	2,600	37,374
Other	13	6,636	9,499
Total current liabilities		32,691	171,716
Total liabilities		32,691	171,716
Net assets		**2,743,042**	**3,623,450**
Equity			
Retained surpluses	14	2,743,042	3,623,450
Total equity		**2,743,042**	**3,623,450**

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

	Retained surpluses	Total equity
Balance at 1 July 2020	3,656,410	3,656,410
Deficit after income tax expense for the year	(32,960)	(32,960)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(32,960)	(32,960)
Balance at 30 June 2021	**3,623,450**	**3,623,450**

	Retained surpluses	Total equity
Balance at 1 July 2021	3,623,450	3,623,450
Deficit after income tax expense for the year	(880,408)	(880,408)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(880,408)	(880,408)
Balance at 30 June 2022	**2,743,042**	**2,743,042**

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

AniMark Ltd
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Proceeds from Government Grants (inclusive of GST)		-	1,540,000
Proceeds from Industry Contributions (inclusive of GST)		15,508	637,706
Payments to suppliers and employees (inclusive of GST)		(944,521)	(1,624,038)
Interest received		4,472	10,458
Net cash (used)/from operating activities		(924,541)	564,126
Cash flows from investing activities			
Proceeds from sale of equipment		3,006	-
Proceeds from release of security deposits		8,350	-
Payments for equipment and intangibles		(36,040)	(352,952)
Net cash used in investing activities		(24,684)	(352,952)
Net (decrease)/increase in cash and cash equivalents		(949,225)	211,174
Cash and cash equivalents at the beginning of the financial year		3,160,720	2,949,546
Cash and cash equivalents at the end of the financial year	**6**	**2,211,495**	**3,160,720**

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

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

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

The following Accounting Standards and Interpretations are most relevant to the entity:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties and financial instruments.

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures 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 the company'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
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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.

Grants
Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

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.

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 and deposits held at call with financial institutions.

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 plant and equipment over their expected useful lives as follows:

Computer and office equipment	3 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.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit.

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.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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. 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.

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.

Income tax

The company is not subject to income taxes in the jurisdiction 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. Going Concern

The financial report of the Company has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company had cash and cash equivalents of $2,211,495 as at 30 June 2022 (2021: $3,160,720).

The Company executed a Deed of Variation in relation to the Livestock Exports Global Assurance program on 24 May 2022 that extended the activity completion date to 30 June 2023. Whilst the Board approved cashflow forecast indicates the ability to maintain sufficient cash resources for the next 12-24 months, there is a risk that a further extension of the current grant agreement will not be granted, and the Company may be required to repay unspent funds. In the event the agreement is not extended, and other alternative sources of funding could not be sourced, the Company would not be able to continue as a going concern.

Note 4. Other Income

	2022 $	2021 $
Government grants	-	1,400,000
Interest	4,858	11,024
Industry Contributions	15,508	196,977
Profit on disposal of assets	367	-
	20,366	1,608,001
	20,733	1,608,001

Note 5. Expenses

	2022 $	2021 $
Deficit before income tax includes the following specific expenses:		
Rental expense relating to operating leases		
Total rental expense relating to operating leases	44,874	-
Superannuation expense		
Defined contribution superannuation expense	23,324	67,262
Net foreign exchange loss		
Net foreign exchange loss	2,315	4,281

Note 6. Current assets - cash and cash equivalents

	2022 $	2021 $
Cash at bank	453,486	402,711
Cash on term deposit	1,758,009	2,758,009
	2,211,495	3,160,720

Note 7. Current assets - other

	2022 $	2021 $
Accrued revenue	1,411	1,246
Prepayments	74,759	6,933
Security deposits	1,760	10,110
	77,930	18,289

Note 8. Non-current assets - plant and equipment

	2022 $	2021 $
Office equipment – at cost	-	179
Less: Accumulated depreciation	-	(103)
	-	76
Computer equipment - at cost	8,900	17,789
Less: Accumulated depreciation	(6,432)	(9,085)
	2,468	8,704
	2,468	8,780

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office equipment $	Computer equipment $	Total $
Balance at 1 July 2021	76	8,704	8,780
Disposals	(61)	(2,305)	(2,366)
Depreciation expense	(15)	(3,931)	(3,946)
Balance at 30 June 2022	-	2,468	2,468

Note 9. Non-current assets – right-of-use assets

	2022 $	2021 $
Buildings – right-of-use	-	87,693
Less: Accumulated depreciation	-	(87,693)
	-	-

Note 10. Non-current assets – intangibles

	2022 $	2021 $
Control & Traceability Project	152,280	148,006
Training Materials Project	43,247	55,896
Conformance System Project	288,314	403,475
	483,841	607,377

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Control & Traceability $	Training Materials $	Conform-ance System $	Total $
Balance at 1 July 2021	148,006	55,896	403,475	607,377
Additions	36,041	-	-	36,041
Amortisation expense	(31,767)	(12,649)	(115,161)	(159,577)
Balance at 30 June 2022	152,280	43,247	288,314	483,841

Note 11. Current liabilities - trade and other payables

	2022 $	2021 $
Trade payables	7,570	12,102
Accrued expenses	12,500	110,130
Credit cards	3,385	2,611
	23,455	124,843

Note 12. Current liabilities - employee benefit provision

	2022 $	2021 $
Employee benefit provision	2,600	37,374

Note 13. Current liabilities - other

	2022 $	2021 $
Payroll clearing	8,182	17,126
GST	(1,546)	(7,627)
	6,636	9,499

Note 14. Equity - retained surpluses

	2022 $	2021 $
Retained surpluses at the beginning of the period	3,623,450	3,656,410
Deficit after income tax expense for the period	(880,408)	(32,960)
Retained surpluses at the end of the period	2,743,042	3,623,450

Note 15. 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:

	2022 $	2021 $
Aggregate compensation	213,498	427,690

Note 16. Contingent liabilities

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

Note 17. Commitments

	2022 $	2021 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	16,000	44,724
One to five years	-	-
More than five years	-	-
	16,000	44,724

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.

	2022 $	2021 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Intangible assets	-	30,840

Note 18. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 15.

Transactions with related parties

There were no transactions that occurred with related parties.

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd the auditor of the company:

	2022 $	2021 $
Audit Services – Nexia Sydney Audit Pty Ltd		
Audit of financial statements	12,500	13,453

Note 20. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No matter or circumstance has arisen since 30 June 2022 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.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Simplified Disclosures, 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 2022 and of its performance for the financial period ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Peter Wells
Director

26 August 2022
Brisbane

Nexia Sydney Audit Pty Ltd
Level 16, 1 Market Street
Sydney NSW 2000
PO Box H195
Australia Square NSW 1215
p +61 2 9251 4600
f +61 2 9251 7138
e info@nexiasydney.com.au
w nexia.com.au

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 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year 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 2022 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards - Simplified Disclosures 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 & 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 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.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Company may be required to repay unspent Government grants if a further extension of the agreement can't be reached within the next 12 months. As stated in Note 3, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in AniMark Limited's annual report for the year ended 30 June 2022, 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.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the 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_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Nexia

Nexia Sydney Audit Pty Ltd

Mark Boyle
Director

Dated: 26 August 2022