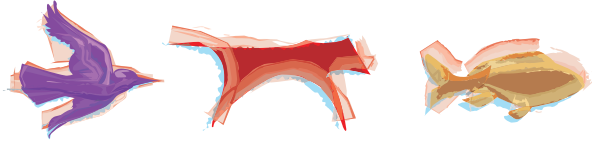


Invasive Animals Cooperative Research Centre

FINANCIAL STATEMENTS 10-11



Established and supported under the
Australian Government Cooperative
Research Centre Programme



Invasive Animals Cooperative Research Centre

Invasive Animals Cooperative Research Centre Annual Report 2010–11 for the period 1 July 2010 to 30 June 2011 (as per Department of Innovation, Industry, Science and Resources annual reporting requirements).

Disclaimer: While every effort has been made to ensure that the information herein is accurate, the Invasive Animals Cooperative Research Centre does not accept liability for any error of fact or opinion which may be present, nor for the consequences of any financial decision based on this information.

The summaries contained within this document are based on reports prepared after consultation with the various researchers in accordance with reasonable standards of scientific endeavour.

Any views or opinions expressed do not represent the official view of the Invasive Animals CRC.

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INVASIVE ANIMALS LIMITED ABN 33 114 965 276

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REPORT FROM THE DIRECTORS

The Directors present their report on the financial statements of the Company for the financial year ended 30 June 2011.

Objectives of the Company

The Company's purpose is the management, operation and governance of the Invasive Animals Cooperative Research Centre (Invasive Animals CRC), in accordance with the Commonwealth Agreement and Participants Agreement.

The Invasive Animals CRC is focused on solving invasive animal pest problems through the development of commercial outputs and a business partnership that will bring together national and international skills in science, management, commerce and industry. Outcomes will help solve the prominent and costly impacts of invasive species on agricultural, environmental and social values. The Invasive Animals CRC aims to create a continuum of stakeholders from perception of a problem, through R&D to marketing, distribution and application of product, to address the public.

The Invasive Animals CRC has set 13 objectives or Operational Targets to be achieved over its seven-year tenure. They mirror the 13 goals set out in Schedule 1 of the Participants Agreement. All activities of the Invasive Animals CRC are expected to directly relate to one or more of these targets.

1. A benefit of \$29 million p.a. by reducing the impacts of fox and wild dogs by 10%.
2. A benefit of \$16 million p.a. by reducing feral pig damage by 15%.
3. A benefit of \$7 million p.a. by reducing rodent damage by 20%.
4. A capacity to deliver improved quality and availability of inland water through reduced impacts and rates of spread of carp and other pest fish.
5. Deliver innovative, practical control measures against cane toads.
6. Reduced impacts of feral cats over 5 million hectares.
7. Increased agricultural profitability through improved integration of existing biological, conventional and newly-developed control options for rabbits.
8. Deliver improved and humane approaches to reduce the production and biodiversity impacts of expanding or other overabundant and widespread species.
9. Reduced risks of economic losses, environmental damage and social stress by forecasting and responding to potential, new, or emerging invasive animal problems.
10. Growth in Australian invasive animal control industries, through industry collaboration on problem species control, the registration, marketing, export and community uptake of new products developed through the Invasive Animals CRC.

Annual Report and Financial Statements For the Year ended 30 June 2011 (continued)

11. Increased professional and practical skills base in invasive animal management through education, training and community awareness.
12. Established national and local benchmarks for invasive animal impact, density and distribution from which performance on delivery of all outcomes can be assessed.
13. Efficiently manage resources to achieve the Invasive Animals CRC's research, education, commercialisation and technology transfer outcomes.

To enable significant research and development activities to continue beyond 30 June 2012, an application has been made under Round 14 of the DIISR Cooperative Research Program to continue the Invasive Animals CRC for another five years and then transition into a national pest animal control research and development institute.

Strategy for achieving the objectives

The Invasive Animals CRC research, development and adoption strategy is set out in Schedule 1 of the Participants Agreement.

The strategy drives the Invasive Animals CRC's research investment, which has been structured into two major phases. The 1st phase spanned three years from the Invasive Animals CRC's inception on 1 July 2005 to 30 June 2008, and the 2nd phase spans the following four years from 1 July 2008 to 30 June 2012. This approach has been taken to enable strategic investment and provide Participant funding certainty, combined with a 'clean slate' approach to enable proper review of the investment portfolio to drop projects with limited potential of delivering, strengthen projects that have a strong likelihood of delivering strongly within the lifetime of the Invasive Animals CRC, and fill strategic gaps with new projects that have emerged from new opportunities or a changed circumstance. This juncture also specifically includes a 'stop-go' decision for the Invasive Animals CRC's continued significant investment in daughterless technology, as required by the Murray-Darling Basin Authority.

The Invasive Animals CRC strategy is further operationalised through three major plans:

- Invasive Animals CRC Commercialisation and Utilisation Plan;
- Invasive Animals CRC Adoption Action Plan;
- Invasive Animals CRC Strategic Communications Plan.

Principal activities

To strongly deliver the Invasive Animals CRC strategy operational targets, the *Invasive Animals CRC Commercialisation and Utilisation Plan* focuses effort on 40 key technologies. A key technology is strategic knowledge, product, strategy or service derived from Invasive Animals CRC related science that is able to be applied to reduce invasive animal impacts related to the operational targets.

These include:

- development of a class of red blood cell toxicants (PAPP and HOGGONE) with an antidote (BLUEHEALER) targeting wild dogs, foxes and feral pigs;
- evaluation of koi herpes virus as a potential carp biocontrol agent;
- evaluation of the potential of daughterless platform technology as a strategic carp control agent;
- evaluation of the effectiveness of new strains of Rabbit Haemorrhagic Disease (RHD) to strengthen rabbit biocontrol.

How the activities assisted in achieving the objectives

An independent economic impact analysis undertaken by the Centre for International Economics in 2008 quantified the annual economic benefit (in 2007 dollars) of those Invasive Animals CRC products whose benefit could be converted into a monetary value. The analysis found that:

- The new red blood cell toxicant, PAPP, would contribute \$1.1 million annually to the objective of reducing the impacts of fox and wild dogs by \$29 million annually;
- The new red blood cell toxicant, HOGGONE (Sodium nitrite), would contribute \$1.88 million annually to the objective of reducing the impacts of feral pigs by \$16 million annually.

Additionally, the combination of potentially more potent RHD strains delivered through the Invasive Animals CRC's freeze dried bait technology, carbon monoxide rabbit warren fumigator, and more sensitive rabbit impact techniques has the potential of increasing agricultural productivity by \$840 million over 15 years through enabling increased pasture for sheep and cattle.

Other examples include activities that have established national benchmarks for invasive animal density and distribution, and increased skills developed through the Invasive Animals CRC's Balanced Scientist PhD as well as PESTPLAN programs.

Performance measurement including Key Performance Indicators (KPIs)

The Invasive Animals CRC Strategic Performance Evaluation and Reporting Framework (SPERF) consists of four strategic elements comprising 10 KPIs. The strategic KPIs are structured to cover inputs, outputs/ value drivers, participant and stakeholder risk and strategic outlook. This framework is designed to measure performance of the current Invasive Animals CRC, and also ensure the Invasive Animals CRC is well positioned for its proposed five year extension bid that will be submitted in 2011—12.

1. Stakeholder satisfaction and awareness (internal and external risk)
 - KPI 1.1 Participant satisfaction
 - KPI 1.2 Stakeholder awareness and support
 - KPI 1.3 Strategic risks

Annual Report and Financial Statements For the Year ended 30 June 2011 (continued)

2. Strategy implementation performance
 - KPI 2.1 Output achievement
 - KPI 2.2 Output achievement (key technologies)
 - KPI 2.3 Milestone achievement
 - KPI 2.4 Publications achievement (scientific excellence)
3. Financial health and performance
 - KPI 3.1 Current Ratio
 - KPI 3.2 Actual and potential cash funding
 - KPI 3.3 Budget management
4. Strategic Outlook
 - Narrative

The KPIs scope covers both performance and risk issues, structured to include both lead and lag indicators.

Directors

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

Name and qualifications	Experience, special responsibilities and other Directorships
Marguerite Helen Reading Cathles Chair	Extensive experience as a grazier and landholder. National President, Australian Superfine Woolgrowers Association.
Manfred Claasz (from 29th November 2010) B.Ec (ANU), FCPA, ACIS, MCMI	Extensive experience in business and commercial management and experience in raising finance for industry relevant research and enabling scientists to grow their research base through industry interaction. Successful international experience in marketing precision technologies for CSIRO, marine technologies for AIMS, and marketing and advisory services to KPMG Corporate Finance clients targeting major pharmaceutical companies in the United States.

Philip Edward Cowan BSc, PhD, NZIOD	Extensive experience in invasive animal management and R&D management. Member, NZ National Animal Welfare Advisory Committee. Governance Board Member, NZ Centre for Biodiversity and Biosecurity. Governance Board Member, NZ Ecosystems resilience OBI. Governance Board Member, NZ Sustaining and restoring biodiversity OBI.
Arthur Georges (from 29th November 2010) B.Sc, B.Sc (Hons). PhD	Extensive experience in conservation biology, with a broad interest in fostering research that underpins decisions on the management of our natural environment.
Chris Hancock (until 13th October 2010) MBA(Exec)	Extensive senior executive experience BA(Social Sci.) in telecommunications/media and consumer products sectors. Director, Starlight Foundation Board. Director, AARNet Board (CEO). Director, Internet Industry Association of Australia.
William Mark Lonsdale B Sc (Hons). PhD, Graduate AICD	Extensive experience in research management, biological invasions, ecological implication of Genetically Modified Organisms. Member of the DAFF Eminent Scientists Group for biosecurity.
Helen Scott-Orr BVSc (Hons) Dip Bact MACVS (Epidem) FAICD	Extensive veterinary and agricultural research management, corporate governance, legal & financial experience, and knowledge of Australian agricultural industries.
Dedee Woodside BSc (Hons), PhD Graduate AICD	Extensive international experience with facilitating the interface between environment issues, community development and livelihoods. In Australia works primarily in rural and resource sectors. Enjoys working with the human aspects of NRM and biodiversity conservation especially community engagement capacity building, change management and governance. Managing Director, Community and Corporate Sustainability. (International) Director, Dilgry River Wildlife Centre (her family rural property). Board Member, World Wide Fund for Nature. Board Member, Sydney Metropolitan Catchment Board. Climate Change Messenger (ACF/AI Gore).

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

Annual Report and Financial Statements
For the Year ended 30 June 2011 (continued)

Meetings of Directors

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

Director	Board Meetings		Audit Committee	
	A	B	A	B
Marguerite Helen Reading Cathles	5	5	-	-
Manfred Claasz	3	3	-	-
Phil Cowan	5	5	-	-
Arthur Georges	3	3	-	-
Chris Hancock	2	1	-	-
William Mark Lonsdale	5	4	3	3
Helen Scott-Orr	5	5	3	3
Dedee Woodside	5	5	3	3

A – Number of meetings held during the time the Director held office during the year.

B – Number of meetings attended.

Audit Committee

The Audit Committee has a documented charter, approved by the Board.

The members of the Audit Committee during the year were:

Dr Dedee Woodside (Chair)

Dr Helen Scott-Orr

Dr Mark Lonsdale.

Ms Betty Ferguson, CPA, is engaged as an external advisor on financial matters. The Chief Executive Officer, Chief Operating Officer, Company Secretary/ Finance Manager and external auditors are invited to Audit Committee meetings at the discretion of the committee. The committee met on three occasions during the year and committee members' attendance record is disclosed in the table of Directors' meetings.

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 after the Independent Auditor's Report.

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

Dated this 17th day of October 2011



.....
Helen Cathles (Chair)

Annual Report and Financial Statements
For the Year ended 30 June 2011 (continued)

STATEMENT OF COMPREHENSIVE INCOME

		2010–11	2009–10
		\$	\$
Revenue	Note		
Revenue from Ordinary Activities	5	2,959,526	2,728,904
Royalties for PAC CRC Intellectual Property		4,408	7,514
Total Revenues		2,963,934	2,736,418
Expenses			
Board and Governance		104,373	96,149
Administration Expenses		711,258	911,615
Program Management		804,432	824,886
Commercialisation Expenses		13,358	41,487
Grants/Contracts Disbursements to Centre		1,326,105	854,767
Royalties distributed to PAC CRC Participants		4,408	7,514
Total Expenses		2,963,934	2,736,418
Operating Surplus /(Deficit)		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income		-	-
 BALANCE SHEET			
Current Assets			
Cash	6	1,917,484	1,446,580
Receivables	7	232,083	171,511
Other Assets	8	8,935	8,758
Total Current Assets		2,158,502	1,626,849
Total Assets		2,158,502	1,626,849
Current Liabilities			
Payables	9	1,710,478	1,144,242
Unearned Revenue	10	448,024	482,607
Total Current Liabilities		2,158,502	1,626,849
Total Liabilities		2,158,502	1,626,849
Net Assets		-	-
Accumulated Funds			
Accumulated surplus		-	-
Total Accumulated Funds		-	-

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Note	2010-11 \$	2009-10 \$
Surplus transferred in at beginning of financial year		-	-
Net surplus/(deficit) for year		-	-
Retained surplus at the end of the year		-	-

CASH FLOW STATEMENT

Operating activities

Receipts from customers		3,232,002	3,015,900
Receipts from Commonwealth Grant*		4,400,000	4,862,000
Interest received		54,487	29,156
Payments to Suppliers		(3,215,585)	(3,605,643)
Payments from Commonwealth Grant to Centre*		(4,000,000)	(4,420,000)
Net cash provided by operating activities	11	470,904	(118,587)
Net movement in cash and cash equivalents		470,904	(118,587)
Cash and cash equivalents at beginning of year		1,446,580	1,565,167
Cash and cash equivalents at end of year	6	1,917,484	1,446,580

*Receipts from Commonwealth Grant are inclusive of GST. Payments made from Commonwealth Grant to Centre are not subject to GST.

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Reporting entity

Invasive Animals Ltd is a company domiciled in Australia. The address of the Company's registered office is Level D, Building 3, University of Canberra Campus, Bruce ACT 2617. The purpose of the company is to undertake the management, operation and governance of the Invasive Animals Cooperative Research Centre (Invasive Animals CRC), in accordance with the Commonwealth Agreement and Participants Agreement.

The Invasive Animals CRC is focused on solving invasive animal pest problems through the development of commercial outputs and a business partnership that will bring together national and international skills in science, management, commerce and industry. Outcomes will help solve the prominent and costly impacts of invasive species on agricultural, environmental and social values. The Invasive Animals CRC aims to create a continuum of stakeholders from perception of a problem, through research and development, to marketing, distribution and application of product.

Note 2 Basis of preparation

a) Statement of compliance

This financial statement is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards ('AASB's) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial statements of the Company comply with the IFRSs and interpretations adopted by the International Accounting Standards Board.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Note 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Income tax

The Invasive Animals Ltd has been endorsed by the Australian Taxation Office as a tax concession charity (NAT 10652) effective from the 1st July 2005 and is exempt from income tax.

b) Trade and other receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the final amount is no longer probable. Bad debts are written off as incurred. Terms and conditions: 30 day terms. No interest.

c) Cash

For the purposes of the statement of cash flows, cash includes at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

d) Trade and other payables

Payables are recognised amounts to be paid in the future for goods and services. Terms and conditions – settled within any creditor's terms specified where possible. If no terms are specified payment is made by the end of the month following the month in which the invoice is received.

Staff undertaking management and administrative roles for the Company are employed by the University of Canberra. The Company reimburses the University for salaries and on-costs paid, and pays the University a long service leave levy of 2.5% of gross salaries. Benefits accrued to staff in the nature of salaries, long service leave levy and recreation leave entitlements are accrued as expenses payable to the University of Canberra.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and Goods and Services Taxes (GST).

- i) Commonwealth funding is received by the Company and transferred directly to the Invasive Animals CRC.

Revenue from this funding is received as an allocation from the Invasive Animals CRC, and is recognised in the income statement as income when the amount becomes receivable at the beginning of each quarter.

- ii) Any unspent annual allocation from the Invasive Animals CRC is treated as a current liability at balance day and is netted against the next quarter's allocation payment.

Annual Report and Financial Statements For the Year ended 30 June 2011 (continued)

- iii) Contracted revenue from various sources of sponsored research, including corporations, foundations, Commonwealth, State and local governments and research institutes are received by the Company in its own right. Funds are transferred to the Invasive Animals CRC to be recognised as revenue when project expenditure against the grants is incurred. At balance dates the unexpended portion of the grants is shown as a current liability in the Company accounts.

f) Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Items with a cost price of less than \$5,000 are fully expensed in the year of acquisition.

g) Interest

Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

h) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an expense item. Receivable and payables in the statement of financial position are shown inclusive of GST.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

i) Accounts presentation

The classification 'Accumulated Funds' has been used in the accounts as the Company is limited by guarantee and therefore has no shareholders. It is believed that the use of the classification 'Equity' would be misleading.

Note 4 Economic Dependency

The continued operation of the Company is reliant on the current and future financial support provided by the Department of Innovation, Industry, Science and Research. The current funding agreement expires on 30 June 2012. To enable significant research and development activities to continue beyond 30 June 2012, an application has been made under Round 14 of the DIISR Cooperative Research Program to continue the Invasive Animals CRC for another five years and then transition into a national pest animal control research and development institute.

	2010–11	2009–10
	\$	\$
Note 5 Revenues from ordinary activities		
Revenues from operating activities		
Allocation from the Invasive Animals CRC	1,569,123	1,799,855
Other	-	700
Receipts from grants/contracts	1,326,105	854,767
Commercialisation expenses from Centre	13,358	41,487
Total revenue from operating activities	<u>2,908,586</u>	<u>2,696,809</u>
Revenues from outside the operating activities		
Interest	50,940	32,095
Total Revenues from ordinary activities	<u>2,959,526</u>	<u>2,728,904</u>
Note 6 Cash		
Cash at Bank	1,917,484	1,446,580
Note 7 Receivables		
CURRENT		
Trade Debtors*	191,877	165,999
Accrued Income	40,206	5,512
	<u>232,083</u>	<u>171,511</u>
*Includes an amount of \$48,877 (2010:\$13,954) receivable from the Invasive Animals CRC		
Note 8 Other assets		
CURRENT		
Prepayments	8,935	8,758

Annual Report and Financial Statements
For the Year ended 30 June 2011 (continued)

	2010-11	2009-10
	\$	\$
Note 9 Payables		
CURRENT		
Trade creditors and other payables*	1,477,190	855,996
Accrued expenses	172,066	214,850
Net GST payable	58,583	68,360
PAYG withholding	2,639	5,036
	1,710,478	1,144,242

*Includes an amount of \$1,326,105 (2010:\$854,767) payable to the Invasive Animals CRC

Note 10 Unearned Revenue

Income in advance - grants/contracts	317,569	453,119
Allocation from the Invasive Animals CRC	130,455	29,488
	448,024	482,607

Note 11 Cash flow information

Reconciliation of operating surplus/(deficit) to net cash from operating activities

Operating Surplus/(Deficit)	-	-
-----------------------------	---	---

Changes in assets and liabilities

Receivables	(60,572)	114,479
Payables	566,236	(60,655)
Unearned revenue	(34,583)	(170,420)
Prepayments	(177)	(1,991)
Provisions		
Net cash inflow from operating activities	470,904	(118,587)

Note 12 Commitments

The Company has entered into a commercial lease on office premises in Adelaide, and operating leases for a photocopier in Canberra.

The office premises lease expires on 30th June 2012.

The Canberra photocopier lease expires on 14th February 2012.

Future minimum rentals payable under these operating leases (non-cancellable) are as follows:

	2010-11	2009-10
	\$	\$
Within one year	43,675	42,933
After one year but not more than five years	-	4,110
Total commitments	<u>43,675</u>	<u>47,043</u>

Operating lease rental commitments are disclosed net of GST.

Note 13 Members' Guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company. At 30 June 2011 the number of members was 14.

Note 14 Company details

Invasive Animals Ltd is a company limited by guarantee incorporated and domiciled in Australia.

The registered office and principal place of business of Invasive Animals Ltd is located at: Level D Building 3, University of Canberra ACT 2617.

During the year the principal activities of the company was to manage the Invasive Animals Cooperative Research Centre to achieve its aim to counteract the impact of invasive animals, through the development and application of new technologies and by integrating approaches across agencies and jurisdictions.

Note 15 Remuneration of Directors

Income received, or due and receivable, by Directors of the company in the 2010-11 financial year:

2010-11
\$
69,415

Annual Report and Financial Statements
For the Year ended 30 June 2011 (continued)

The number of Directors whose income from the company falls within the following bands are as follows:

\$	No.
\$0 - \$10,000	6
\$10,001 - \$20,000	2

Note 16 Remuneration of Auditors

Remuneration of the auditor for:

	2010-11	2009-10
	\$	\$
Audit of the financial statements	8,500	5,300
Total	<u>8,500</u>	<u>5,300</u>

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position as at 30 June 2011 and of the performance for the financial year ended on that date.

2. In the opinion of the Board of Directors, at the date of this statement, there are reasonable grounds to believe that Invasive Animals Ltd will be able to pay its debts as and when they fall due.

Signed this 17th day of October 2011 in accordance with a resolution of the Board of Directors.



.....
Helen Cathles (Chair)

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVASIVE ANIMALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Invasive Animals Limited (the company), which comprise the balance sheet as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Statements

The directors of the company are responsible for the preparation of the financial statements that give 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 statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporation Act 2001*, which has been given to the directors of the Invasive Animals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS
ACT 2001 TO THE DIRECTORS OF INVASIVE ANIMALS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.



Selina Stanford
Director
MOORE STEPHENS

Dated at Canberra: 29 September 2011

INVASIVE ANIMALS COOPERATIVE RESEARCH CENTRE ABN 74 267 438 408

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REPORT FROM THE DIRECTORS

The Directors of Invasive Animals Ltd, as the Governing Board responsible for the overall management and governance of the Invasive Animals CRC present their report on the financial statements of the Invasive Animals CRC for the financial year ended 30 June 2011.

Directors

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

Name and qualifications	Experience, special responsibilities and other Directorships
Marguerite Helen Reading Cathles Chair	Extensive experience as a grazier and landholder. National President, Australian Superfine Woolgrowers Association.
Manfred Claasz (from 29th November 2010) B.Ec (ANU), FCPA,ACIS,MCMI	Extensive experience in business and commercial management and experience in raising finance for industry relevant research and enabling scientists to grow their research base through industry interaction. Successful international experience in marketing precision technologies for CSIRO, marine technologies for AIMS, and marketing and advisory services to KPMG Corporate Finance clients targeting major pharmaceutical companies in the United States.
Philip Edward Cowan BSc, PhD, NZIOD	Extensive experience in invasive animal management and R&D management. Member, NZ National Animal Welfare Advisory Committee. Governance Board Member, NZ Centre for Biodiversity and Biosecurity. Governance Board Member, NZ Ecosystems resilience OBI. Governance Board Member, NZ Sustaining and restoring biodiversity OBI.
Arthur Georges (from 29th November 2010) B.Sc, B.Sc (Hons). PhD	Extensive experience in conservation biology, with a broad interest in fostering research that underpins decisions on the management of our natural environment.
Chris Hancock (until 13th October 2010) MBA(Exec)	Extensive senior executive experience BA(Social Sci.) in telecommunications/media and consumer products sectors. Director, Starlight Foundation Board. Director, AARNet Board (CEO). Director, Internet Industry Association of Australia.

Annual Report and Financial Statements
For the Year ended 30 June 2011 (continued)

William Mark Lonsdale B Sc (Hons). PhD, Graduate AICD	Extensive experience in research management, biological invasions, ecological implication of Genetically Modified Organisms. Member of the DAFF Eminent Scientists Group for biosecurity.
Helen Scott-Orr BVSc (Hons) Dip Bact MACVS (Epidem) FAICD	Extensive veterinary and agricultural research management, corporate governance, legal & financial experience, and knowledge of Australian agricultural industries.
Dedee Woodside BSc (Hons), PhD Graduate AICD	Extensive international experience with facilitating the interface between environment issues, community development and livelihoods. In Australia works primarily in rural and resource sectors. Enjoys working with the human aspects of NRM and biodiversity conservation especially community engagement capacity building, change management and governance. Managing Director, Community and Corporate Sustainability (International) Director, Dilgry River Wildlife Centre (her family rural property.) Board Member, World Wide Fund for Nature Board Member, Sydney Metropolitan Catchment Board Climate Change Messenger (ACF/AI Gore).

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

Meetings of Directors

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

<i>Director</i>	Board Meetings		Audit Committee	
	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>
Marguerite Helen Reading Cathles	5	5	-	-
Manfred Claasz	3	3	-	-
Phil Cowan	5	5	-	-
Arthur Georges	3	3	-	-
Chris Hancock	2	1	-	-
William Mark Lonsdale	5	4	3	3
Helen Scott-Orr	5	5	3	3
Dedee Woodside	5	5	3	3

A – Number of meetings held during the time the Director held office during the year.

B – Number of meetings attended.

Audit Committee

The Audit Committee has a documented charter, approved by the Board.

The members of the Audit Committee during the year were:

Dr Dedee Woodside (Chair)

Dr Helen Scott-Orr

Dr Mark Lonsdale.

Ms Betty Ferguson, CPA, is engaged as an external advisor on financial matters. The Chief Executive Officer, Chief Operating Officer, Company Secretary/ Finance Manager and external auditors are invited to Audit Committee meetings at the discretion of the committee. The committee met on three occasions during the year and committee members' attendance record is disclosed in the table of Directors' meetings.

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

Dated this 17th day of October 2011 in accordance with a resolution of the Board of Directors.



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Helen Cathles (Chair)

Annual Report and Financial Statements
For the Year ended 30 June 2011 (continued)

STATEMENT OF COMPREHENSIVE INCOME

		2010–11	2009–10
Revenue	Note	\$	\$
Revenue from Ordinary Activities	4	7,446,504	6,954,471
Revenue from Inkind Contributions	5	10,054,000	12,607,000
Total Revenues from Ordinary Activities		17,500,504	19,561,471
Expenses			
Terrestrial Research Program		2,458,732	1,872,817
Freshwater Research Program		1,159,631	1,383,016
Detection & Prevention Program		677,288	669,541
Education Program		609,754	743,448
Commercialisation Program		1,135,203	1,250,524
Administration		779,630	990,750
Expenditure of Inkind Contributions		10,054,000	12,607,000
Total Expenses from Ordinary Activities		16,874,239	19,517,096
Surplus from Ordinary Activities		626,266	44,375
Other Comprehensive Income			-
Total Comprehensive Income		626,266	44,375
BALANCE SHEET			
Current Assets			
Cash	6	2,634,731	2,382,652
Receivables	7	1,718,842	1,054,396
Other Current Assets	8	130,455	29,717
Total Current Assets		4,484,028	3,466,765
Total Assets		4,484,028	3,466,765
Current Liabilities			
Payables	9	1,830,398	1,264,401
Unearned Revenue	10	575,000	750,000
Total Current Liabilities		2,405,398	2,014,401
Total Liabilities		2,405,398	2,014,401
Net Assets		2,078,630	1,452,364
Accumulated Funds			
Accumulated surplus		2,078,630	1,452,364
Total Accumulated Funds		2,078,630	1,452,364

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	2010–11	2009–10
	\$	\$
Surplus transferred in at beginning of the year	1,452,364	1,407,989
Net surplus for year	626,266	44,375
Retained surplus at the end of the year	2,078,630	1,452,364

CASH FLOW STATEMENT

Operating activities

Receipts from customers		7,125,299	7,592,435
Interest received		81,012	62,049
Payments to Suppliers and employees		(6,954,232)	(7,617,752)
Net cash provided by operating activities	11	252,079	36,732
Net movement in cash and cash equivalents		252,079	36,732
Cash and cash equivalents at beginning of year		2,382,652	2,345,920
Cash and cash equivalents at end of year	6	2,634,731	2,382,652

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Reporting Entity

Invasive Animals Cooperative Research Centre (Invasive Animals CRC) is an unincorporated joint venture domiciled in Australia. The address of the Invasive Animals CRC's office is Level D, Building 3, University of Canberra Campus, Bruce. ACT. 2617. The Invasive Animals CRC is managed by Invasive Animals Ltd, a public company established for the purpose of managing, operating and governing the Invasive Animals CRC in accordance with the Commonwealth Agreement and Participants Agreement.

The Invasive Animals CRC is focused on solving invasive animal pest problems through the development of commercial outputs and a business partnership that will bring together national and international skills in science, management, commerce and industry. Outcomes will help solve the prominent and costly impacts of invasive species on agricultural, environmental and social values. The Invasive Animals CRC aims to create a continuum of stakeholders from perception of a problem, through research and development, to marketing, distribution and application of product.

Note 2 Basis of preparation

a) Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB). The financial statements of the Invasive Animals CRC comply with the Australian International Financial Reporting Standards (AIFRS) and interpretations adopted by the International Accounting Standards Board.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis

c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Invasive Animals CRC's functional currency.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Note 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Income tax

The Invasive Animals Cooperative Research Centre is an Unincorporated Joint Venture. Tax advice determined that the CRC met the definition of a tax and common law partnership. As such the CRC is required to calculate the partnership net income and to lodge a tax return. No tax is payable by the CRC, rather each Participant is allocated a share of the net result to be reported in their tax return

b) Trade and other receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the final amount is no longer probable. Bad debts are written off as incurred. Terms and conditions: 30 day terms. No interest.

c) Cash

For the purposes of the statement of cash flows, cash includes at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

d) Trade and other payables

Payables are recognised amounts to be paid in the future for goods and services. Terms and conditions – settled within any creditor's terms specified where possible. If no terms are specified payment is made by the end of the month following the month in which the invoice is received.

Milestone and progress payments for Projects are paid quarterly in arrears.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and Goods and Services Taxes (GST). Revenue is recognised as follows:

Grants and Contributions

- i) Commonwealth funding is recognised in the statement of comprehensive income as income when the grant becomes receivable at the beginning of each quarter.

\$4,000,000 was received from the Department of Innovation, Industry, Science and Research under CRC Program Funding in the financial year ended 30 June 2011.

- (ii) **Participant Contributions**

Participant funding is recognised in the statement of comprehensive income as income when the annual contribution becomes receivable at the beginning of every financial year.

(ii) **Contracts for services**

Contracted revenue from various sources of sponsored research, including corporations, foundations, Commonwealth, State and local governments and research institutes are received by Invasive Animals Ltd, as the Management Company, in its own right. Funds are transferred to The Invasive Animals CRC to be recognised as revenue when project expenditure against the grants is incurred.

(iv) **Inkind Contributions**

Inkind contributions of resources (research or other professional staff and/or specialised facilities and infrastructure) are contributed to the Invasive Animals CRC by participants and third parties for use in programs and projects. The value of any intellectual property contributions is excluded under clause 8.2 of the Participants Agreement.

Personal inkind (FTE)

An FTE (full time equivalent) person is represented by a decimal figure that indicates the proportion of workload undertaken by a person over a 12 month period. The FTE is rounded to one decimal place. Valuation of each FTE is made by applying standard dollar amounts to the full-time equivalent (FTE) numbers for the four categories of staff (covering salary, on-costs and overheads), as advised by DIISR in the CRC Program Guidelines published February 2010.

Salary and oncosts and overheads:

- Category 1 - \$400,000 (\$380,000 in 2009–10) for Programme Leader/Senior Manager.
- Category 2 - \$270,000 (\$260,000 in 2009–10) for Project/Theme Leader/Key Researcher/Manager.
- Category 3 - \$210,000 (\$200,000 in 2009–10) for Researcher/Professional.
- Category 4 - \$170,000 (\$160,000 in 2009–10) for Other (support staff technical, administrative, etc).

Non Personnel inkind

Valuations for non personnel inkind contributions are self assessed and certified by the contributing participants in accordance with the Valuation Principles in the Participants Agreement of the Invasive Animals CRC.

f) Interest

Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable

g) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an expense item. Receivable and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

h) Accounts presentation

The classification 'Accumulated Funds' has been used in the accounts. It is believed that the use of the classification 'Equity' would be misleading.

Annual Report and Financial Statements
For the Year ended 30 June 2011 (continued)

	2010-11	2009-10
	\$	\$
Note 4 Revenues from ordinary activities		
Revenues from operating activities		
Commonwealth Grant	4,420,000	4,000,000
Contributions from Core CRC Participants	1,416,636	1,245,000
Contributions from Supporting CRC Participants	564,250	365,375
Other Contracts	1,326,105	854,767
Other	59,992	4,934
Total revenue from operating activities	7,366,983	6,890,076
Revenues from outside the operating activities		
Interest	79,521	64,395
Total Revenues from ordinary activities	7,446,504	6,954,471
Note 5 Inkind contributions		
Personnel Inkind Contributions	7,349,000	9,844,000
Non Personnel Inkind Contributions	2,705,000	2,763,000
	10,054,000	12,607,000
Note 6 Cash		
Cash at bank - Premium Business Account	255,293	217,933
Cash at bank - On-line Saver	2,280,299	2,070,046
Term deposit - Credit Card Security	99,139	94,673
	2,634,731	2,382,652
Note 7 Receivables		
CURRENT		
Trade Debtors*	1,552,988	956,077
Allowance for Impairment	-	(100,000)
Accrued Income	6,523	6,263
Net GST receivable	159,331	192,056
	1,718,842	1,054,396

*Includes an amount of \$1,326,105 (2010: \$854,767) receivable from Invasive Animals Ltd.

	2010-11	2009-10
	\$	\$
Note 8 Other Current Assets		
CURRENT		
Allocation to Invasive Animals Ltd	130,455	29,488
Other	-	229
Prepayments	130,455	29,717

Note 9 Payables

CURRENT		
Trade Creditors*	1,488,288	824,714
Accrued Expenses	342,110	439,687
	1,830,398	1,264,401

*Includes an amount of \$48,877 (2010: \$13,954) payable to Invasive Animals Ltd.

Note 10 Unearned Revenue

CURRENT		
Income in Advance - Participant Contributions	575,000	750,000
	575,000	750,000

Note 11 Cash flow information

Reconciliation of operating surplus to net cash from operating activities

Operating Surplus	626,266	44,375
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Changes in Assets and Liabilities

Receivables	(664,446)	181,675
Other Assets	(100,738)	99,555
Payables	565,997	(288,873)
Unearned Revenue	(175,000)	-
Net cash inflow from operating activities	252,079	36,732

The CRC has a total credit card facility with a balance of \$76,000 with the Commonwealth Bank. \$2,099 of this balance has been used as at the 30th June 2011.

Annual Report and Financial Statements
For the Year ended 30 June 2011 (continued)

	2010-11	2009-10
	\$	\$
Note 12 Remuneration of Auditors		
Audit of financial statements	10,700	6,400
Other Audit services	1,200	1,000
	11,900	7,400

Note 13 Related party disclosures

During the financial year ended 30 June 2011, the Invasive Animals CRC provided funding to the following associates:

CSIRO	\$994,245	(Associated Director: Mark Lonsdale, Chief, CSIRO Entomology)
Landcare Research NZ	\$663	(Associated Director: Philip Cowan, Science Leader, Pest Control Technologies, Landcare NZ)
University of Canberra	\$704,460	(Associated Director: Arthur Georges, Professor in Ecology, University of Canberra)

Transactions with associates are conducted on an arm's length basis. No dividends were received from associates in the 2011 or 2010 financial years.

Note 14 Commitments

Project expenditure commitments

Project expenditure contracted for at 30 June 2011 but not provided for:

Within one year	\$2,580,209
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Project commitments represent contracted project expenditure. This expenditure will utilise committed revenue streams from the Commonwealth Government and Participants.

DIRECTORS' DECLARATION

The Directors of Invasive Animals Ltd declare that:

1. The financial statements and notes of the Invasive Animals CRC, as set out:
 - (a) complying with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the financial year ended on that date.

2. In the opinion of the Board of Directors, at the date of this statement, there are reasonable grounds to believe that the Invasive Animals CRC will be able to pay its debts as and when they fall due.

Signed this 17th day of October 2011 in accordance with a resolution of the Board of Directors.



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Helen Cathles (Chair)

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVASIVE ANIMALS COOPERATIVE RESEARCH CENTRE

Report on the Financial Statements

We have audited the accompanying financial statements of the Invasive Animals Cooperative Research Centre (the entity), which comprises the balance sheet as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.