

# ANNUAL REPORT

## 2021



**MY LAND  
MY LIVELIHOOD  
MY RULES**

**OVIS**  
MANAGEMENT   
PROMOTE PROTECT PARTICIPATE





**MY LAND**  
**MY LIVELIHOOD**  
**MY RULES**





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## MISSION STATEMENT

To promote the control of *Cysticercus Ovis* (*C. ovis*) through communication and collaboration.

## VISION

We will be recognised by the wider Red Meat Sector as protecting and promoting our reputation, of a premium consumer experience of sheep meat.

## PURPOSE

We educate and communicate about all potential Sheep Measles biosecurity risk factors and collaborate with all people and organisations who can strengthen these efforts.





## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholder of Ovis Management Limited will be held Thursday 9th September 2021 in the Board Room, Level 5, Wellington Chambers 154 Featherston Street, Wellington, 11.30 am.

### Agenda

1. To approve the minutes of the 2020 Annual General Meeting.
2. To receive and consider the Directors Report, Auditors Report and Accounts for the year ended 30 June 2021.
3. The appointment of Auditors for the forthcoming year.
4. General business.

Mr D. Lynch  
Secretary  
PALMERSTON NORTH

7th August 2021







## DIRECTORY

|                    |  |
|--------------------|--|
| CHAIRMAN           | R T Barton<br>Woodside,<br>RD 1<br>Greytown 5794   |
| DIRECTORS          | S B Karapeeva<br>108 Buckley Road<br>Southgate<br>Wellington 6023<br><br>G B McSkimming<br>16 Hoylake Road<br>Outram 9019<br><br>A D Morrison<br>RD 5<br>Gore 9775 |
| ASSOCIATE DIRECTOR | Alice Allsop<br>23 Lockwood Road<br>RD 5<br>Palmerston North 4475  |
| SECRETARY          | D W Lynch<br>6B Williams Tce<br>Palmerston North 4410  |
| REGISTERED OFFICE  | Level 5, Wellington Chambers,<br>154 Featherston Street, Wellington  |
| SOLICITORS         | Burrowes & Company<br>24 Johnston Street, Wellington   |
| BANKERS            | Bank of New Zealand<br>222 Lambton Quay, Wellington  |
| AUDITORS           | KPMG<br>10 Customhouse Quay, Wellington  |

## COMPANY MANAGEMENT

|                   |   |
|-------------------|---|
| PROJECT MANAGER   | MR D W Lynch,<br>Palmerston North             |
| TECHNICAL ADVISOR | Dr B H Simpson,<br>Biosecurity Management Ltd |





## REGISTER OF INTERESTS

*For the year ended 30 June 2021*

| Director        | Interest   |
|-----------------|--|
| Roger Barton    | <p><b>Director and Chairman of:</b></p> <ul style="list-style-type: none"> <li>Ovis Management Ltd</li> </ul> <p><b>Director and Shareholder of:</b></p> <ul style="list-style-type: none"> <li>RT Barton Ltd, Tavanui Farm Ltd and Waipehi Lodge Ltd</li> </ul> <p><b>Shareholder of:</b></p> <ul style="list-style-type: none"> <li>Farmlands Ltd</li> <li>Ballance Agri Nutrients Ltd</li> <li>Lean Meats Ltd / Heavy Lambs Trust</li> <li>Wools of NZ Ltd</li> <li>Ngaringa Ltd</li> </ul>   |
| Sirma Karapeeva | <p><b>Director of:</b></p> <ul style="list-style-type: none"> <li>Ovis Management Ltd</li> </ul> <p><b>Officer of:</b></p> <ul style="list-style-type: none"> <li>Meat Industry Association – Chief Executive</li> </ul> <p><b>Member of:</b></p> <ul style="list-style-type: none"> <li>Strategic Directions Group with MPI - Co-Chair</li> <li>SDG Trade and Market Access Intel Group</li> <li>MIA HR Leaders' Group</li> <li>China Council</li> <li>Livestock Sector Biosecurity Council</li> <li>NZ Council of Cargo Owners (previously NZ Shippers Council)</li> <li>OSPRI Stakeholders Council</li> <li>New Zealand International Business Forum</li> <li>Approved Halal Organisations Forum</li> <li>GIA Deed Governance Group and GIA Executive Committee</li> <li>Primary Industry Chief Executive Animal Welfare Forum</li> <li>Food Innovation Training Trust – Trustee</li> <li>MIRINZ Food Technology and Research Incorporated – Board member</li> <li>Beef and Lamb New Zealand Incorporated – Board member</li> <li>AMCHAM in New Zealand</li> <li>Food and Fibre Leaders Forum CE's Group</li> <li>The Meat Industry Association Halal Community Response Trust - Trustee</li> </ul> |





## REGISTER OF INTERESTS

*For the year ended 30 June 2021*

| Director        | Interest  |
|-----------------|---|
| Andrew Morrison | <p><b>Chairman of:</b></p> <ul style="list-style-type: none"><li>• Beef &amp; Lamb New Zealand Ltd</li><li>• NZ Meat Board</li></ul> <p><b>Director of:</b></p> <ul style="list-style-type: none"><li>• Strong Wool Action Group - SWAG</li><li>• Ballance Agri Nutrients Ltd</li><li>• Glenroy Morrison Ltd</li><li>• Meat &amp; Wool Trust Ltd.</li><li>• Ovis Management Ltd</li><li>• Pastoral Greenhouse Gas Research Ltd</li><li>• Primary Resources Ltd</li><li>• Wool Research Organisation of New Zealand Ltd</li></ul> <p><b>Shareholder of:</b></p> <ul style="list-style-type: none"><li>• Alliance Group Ltd.</li><li>• Ballance Agri Nutrients Ltd</li><li>• Farmlands Ltd</li></ul> <p><b>Member of:</b></p> <ul style="list-style-type: none"><li>• Food and Fibre Leaders Group</li><li>• Food and Fibre Partnership Group</li></ul> |
| Greg McSkimming | <p><b>Director of:</b></p> <ul style="list-style-type: none"><li>• Meat the Need</li><li>• Ovis Management Ltd</li></ul> <p><b>Shareholder of:</b></p> <ul style="list-style-type: none"><li>• Silver Fern Farms</li><li>• BK &amp; V McSkimming Family Farms</li></ul> <p><b>Officer of:</b></p> <ul style="list-style-type: none"><li>• NZFAI</li><li>• Outram Charitable Trust</li></ul>   |





**MY LAND**  
**MY LIVELIHOOD**  
**MY RULES**





## CHAIRMAN'S REPORT 2021

On behalf of the board and management I am pleased to present my chairman's report for the 2020/2021 year.

The world is a changing place and OML has not been immune to those factors affecting many others.

The last financial year saw the implications of Covid19 seriously limiting the processing sector for a period. It is a credit to the processors that they managed their workforces as they did and were able to maintain orderly processing of livestock, albeit with a backlog. Winter last year was an uncomfortable period, in particular for the bottom of the South Island. OML's work was hindered in the field but Dan has done a great job catching up with on farm visits where needed. As I write this report, we have descended back into Level 4 lockdown. We trust with knowledge gained from last time we can work through this and keep clear of the potential implications.

Unfortunately for the sheep industry we see a further decline in sheep numbers nationwide. A mix of poor wool prices and the rise of carbon farming is having a negative affect on our industry.

Without wanting to get overtly political there are certainly some policy settings coming out of central government that are seriously negative for our subset of the agricultural industry. Beef and Lamb have instigated some policy work in this area identifying the loss of mainstream hill country farms to the carbon/forestry sector and the loss of land use to the sector, whilst subject to debate, is a hit on the numbers available for processors to deal with not to mention the shortage for our discerning and higher paying markets we have been encouraged to invest in.

Meantime the work that OML conducts still aims at keeping our education programme in front of farmers and other dog owners where appropriate. Our ability to use email as a means of communication has sped up delivery of messages and is very cost efficient. Some farmers find this an intrusion but most welcome the information that can be conveyed with ease. Our social media platform continues to work in those areas they are relevant but it would be fair to say that the predominance of on farm decision makers are not social media junkies so it is but one aspect of our platform, not the central plank.

*"It is a credit to the processors that they managed their workforces as they did and were able to maintain orderly processing of livestock, albeit with a backlog."*







*"this level has been achieved with no level of compulsion or legal backing. It is purely a commercial imperative"*

Current prevalence sits at 0.44%. A further move in the right direction. The meat industry occasionally needs to remind itself that this level has been achieved with no level of compulsion or legal backing. It is purely a commercial imperative driving companies to collect and provide data and for farmers to act on educative material presented to them by OML or the other lead agencies that we work with. In particular to NZ veterinary industry who are our frontline allies...we thank you.

Changes are afoot at OML. This year we farewell one of our processor directors, Jim Goodall. Not one to leave any stone unturned Jim was a positive force in getting us to take a helicopter view of the business and identify some positive changes. We wish him well in his new role at Blue Sky Meats in Invercargill. Replacing Jim, we have Greg McSkimming who is part of Silver Fern Farms top team.

Greg comes with a diverse background, but all solidly grounded in primary industry. It's great how easily he has fitted into our small team.

The more momentous change I would like to flag is the pending retirement of our project manager Dan Lynch. Dan's commitment to OML started in 1993 when the programme was in its infancy. A safer pair of hands would be hard to find but we have advertised and interviewed and are delighted to announce that Michelle Simpson will be joining OML in early October for a structured transition and will assume the mantle of Project Manager as of 1st January 2022. Michelle comes out of the veterinary industry and has a strong record of being very proactive and busy in her role working for Southern Rangitikei Vet Services.

Her previous employers will be sorry to see her exit their employment but the contacts and understanding she will bring from the vet industry will be most useful in her new role. We welcome Michelle to OML.

I want to thank Dan for his ongoing commitment to OML and very valuable assistance in giving logical guidance where appropriate around his replacement in this role. Words can't do justice to Dan's contribution but later in the year we intend to have a celebratory event, somewhat larger than the "morning tea" that he suggested.

We are privileged to have the services of others when we need them. In no particular order Murray Kerr, our contractor from Ashburton who is a master of sorting out supplier detail. Michael Pran who corrals our finances in amongst a plethora of other entities at the MIA and my fellow directors.

Andrew Morrison, chairman of Beef and Lamb who likes staying grounded in the practical activities that OML provides. Greg McSkimming as mentioned earlier. Sirma Karapeeva who has taken up the role vacated by Tim Ritchie so seamlessly and to our associate director Alice Allsop who has added real value with her carefully considered analytical mind and ability to see things from a younger perspective. I am grateful for the ongoing support and work that you do.

Roger Barton  
Chairman  
Ovis Management Limited





## PROJECT MANAGER'S REPORT 2020-21

New Zealand sheep farmers have continued to embrace the responsibility of maintaining sheep measles prevalence at low levels. This is seen in low prevalence being detected in recent seasons and reduced numbers of lambs being downgraded or condemned for sheep measles. This low prevalence seen by an absence of cysts in products minimises risks to markets.

Ovis Management Ltd (OML) was established with the goals of maintaining awareness of sheep measles and reducing the risk of market issues arising from sheep measles. While OML can promote and provide resources to maintain awareness ultimately control activities on sheep farms remain the key.

Overall national prevalence has remained at the low level observed in recent years. The prevalence for the 2019-20 season was 0.48%, the same as the previous year and the equal lowest prevalence recorded. For this current season October 2020 - June 2021 the prevalence is at 0.40% compared to 0.44% for the same period last year.

The ability to further reduce Sheep Measles levels will be by small gains and incremental improvements with the fecundity of the parasite challenging any reduction or weakening of control activity. OML continues to explore and utilise options and innovations that will assist in lowering levels of infection.

One area of focus by OML is using social media to build engagement with not only sheep farmers but other groups impacting on overall prevalence levels such as dog owners and hunters. The fast-changing face of social media while providing a mechanism for interacting with these groups requires constant attention and focus to attract and engage the target audience. OML has also worked with groups such as Fish & Game, Conservation Department and the Walking Access Commission to have links to the OML website from their own websites to raise understanding of dog owners' responsibilities when entering rural areas.

The increase in the number of farms treating dogs monthly is a major contributor to the overall decrease in infection. The requirement of monthly treatments in the New Zealand Farm Assurance Programme is a significant step in increasing these numbers even more. The fact that, while decreasing, a number of farmers are reliant on three monthly all-wormer dog treatments for sheep measles control remains a concern. All wormer drugs should be used in conjunction with straight praziquantel tablets on a monthly basis removing the window of

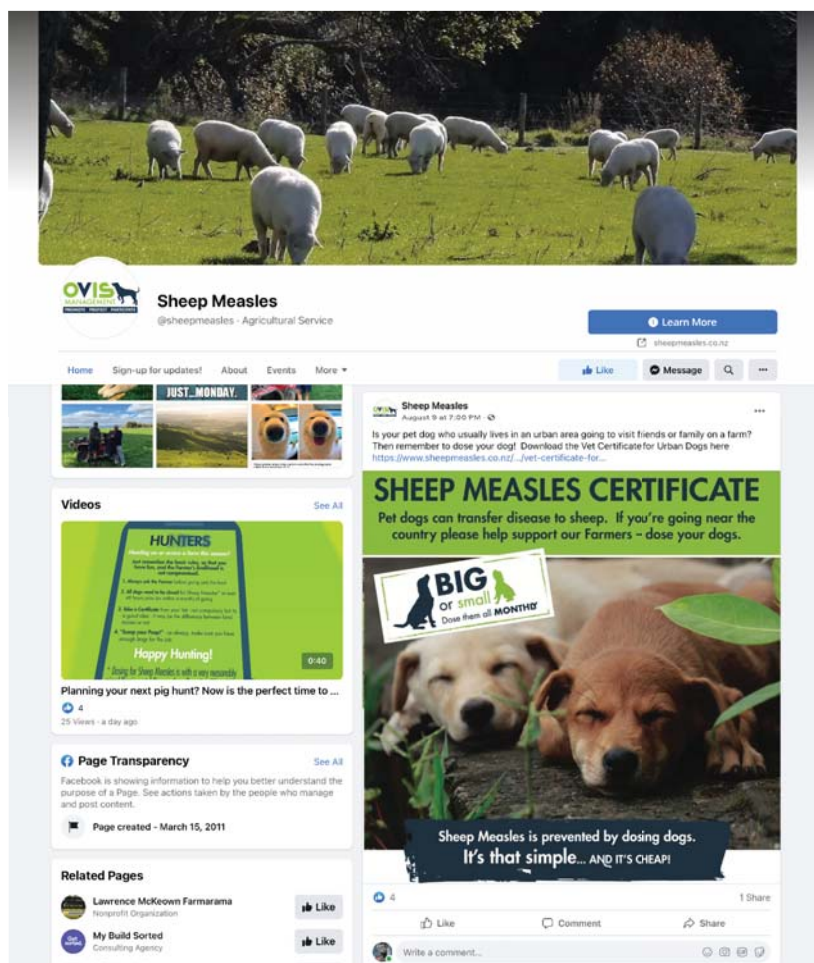
opportunity for infection which exists when three monthly dosing is practised.

The past 29 years have shown that given the right support, access to resources and material, sheep farmers have been able to reduce the prevalence of Sheep Measles on farm and so minimise the risk posted by its presence.

External factors have also contributed to this reduction in sheep measles prevalence. Including a reduction in the number of sheep farms due to dairy conversions reducing cross farm contamination infected dogs. Also, increases in the price of adult sheep results in reduced home killing and greater use of prepared dog foods.

Continued downward pressure remains key to keeping prevalence levels low when confronting a parasite with such a large biotic potential. The introduction of four weekly dog treatments into the New Zealand Farm Assurance programme as a requirement is a significant step forwards and in time the introduction of "whole of life" farm assurance will drive prevalence and reduce market risk even lower.

*"Continued downward pressure remains key to keeping prevalence levels low when confronting a parasite with such a large biotic potential."*







*"to the many farmers whose driveways I have entered thank you for your time and commitment"*

As this is my last report, I would like to acknowledge the many people who have assisted me over my time with Ovis Management. I have been fortunate to have had two outstanding Chairmen Geoff Neilson and Roger Barton who along with directors who have provided much valued input and support over the years. Personnel at corporate and meat plant level and also meat inspection staff who have maintained support for the programme. I would like to acknowledge Bruce Taylor who was a South Island Field Officer who passed away in 2008. He was a joy to work with as is Murray Kerr who stepped into his role. I would also acknowledge Bruce Simpson who has for many years been OML technical Advisor but more than that he has been a guide and support.

Finally, to the many farmers whose driveways I have entered thank you for your time and commitment to ensuring what was said not to be possible has in fact been achieved at a level greater than ever expected.

## Programme Activity

### High Prevalence mailouts

The goal of the mailed notifications is to encourage suppliers whose prevalence suggests the presence of a sheep measles infected dog to review their on-farm control programme. They are recommended to do this in conjunction with their veterinarian. These notifications have been running for a number of years and provide an opportunity for discussion around prevalence on farms.

### 2019-20 High Prevalence mailouts

OML contacted 873 High Prevalence suppliers over three mailouts in 2019/20 slightly up on the 842 suppliers notified in 2019, 933 in 2018, 986 in 2017 and 923 in 2016.

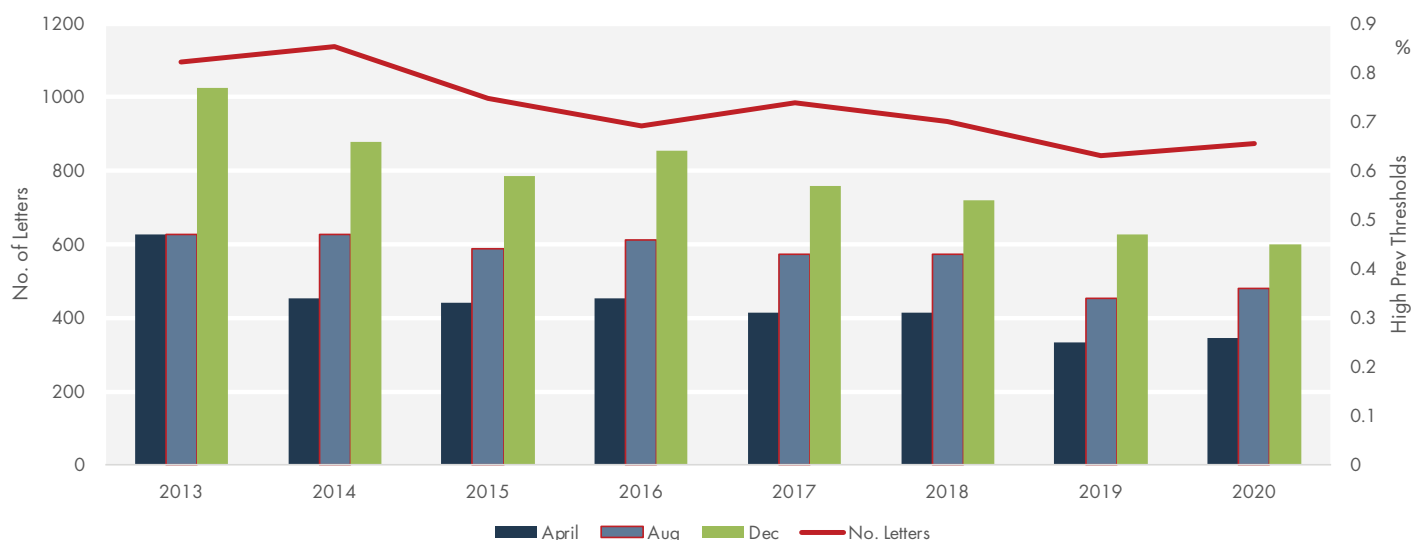
The graph (Fig.1) below shows a sinking lid effect with the seasonal thresholds in decreasing for each mailout in recent years up to this year.

The timeframe for national prevalence from December to end of November the following year is designed to reduce the inclusion of old season lambs into new season's data. Suppliers are only contacted once a season in this manner so those contacted in the earlier mailouts (March and July) are not included in the December mailout.

Three splits in the number of lambs processed are made with the goal of capturing farms which have, or have had, an infected dog present.

- Supplier with fewer than 100 lambs processed. Five times the national prevalence.
- Greater than 100 but fewer than 2,000 lambs processed. Three times the national prevalence.
- Greater than 2,000 lambs, twice the national prevalence.

Fig.1 Number of High Prev letters vs High Prev Threshold





The number of North Island notifications 638 is the 3rd lowest recorded. 235, the number of South Island farms contacted, a reduction from last year of 3.29% and the lowest recorded.

## Summary Data

### The North Island

The North Island had 638 notifications the 3rd lowest number recorded although some regions had an increase in notifications from the previous year.

### East Coast / Hawke's Bay

Gisborne had 92 notifications for the year compared to 84 in 2019 and 91 in 2018. The OML database shows that the Gisborne region, the 4th highest lamb producing region and the 6th highest for suppliers' numbers provides 30% more sheep measles carcasses, 7,995, than Hastings next with 5,617. The Hastings district has 55 notifications the equal lowest number recorded. Central Hawke's Bay had 49 notifications slightly down on last year's 53 and the second lowest number recorded. Increases in mailouts occurred in Taranaki with 50, and notably Wairoa with 42 the highest recorded, the previous being 36 in 2014.

In Gisborne and other eastern areas few storm lines occurred, rather prevalence is seen in background infection spread across a number of farms.

### Western North Island.

Rangitikei with 49 notifications increased from 33 in 2018/19 and 43 in 2018 and the second highest number since 2008. Manawatu 38 is at its second lowest number since 2012 while Ruapehu with 36 is down from last year and in line with 2017 and 2018.

Wanganui had 27 notifications that while a slight increase from last year's 23 is a good outcome compared to 45 in 2018.

South Taranaki conversely with 22 had a marked increase from 11 the previous year

Of the other regions Otorohanga with 4 notifications had the lowest recorded for this district compared to 12 last year.

### South Island

In the South Island 235 suppliers were contacted a reduction in numbers from last year of 3.29%, the lowest recorded.

Of note however, it was unexpected that the Clutha district would have 33 mailout notifications compared to just 19 last year. The farms concerned are dispersed across the district with only five farms exceeding 3%. OML responded by visiting Vet clinics in the region to alert them to this prevalence level.

Nearly all other areas had decreases with the exception of Ashburton with 20 notifications up from 5 last year, most of these coming from farms trading lambs.

### 1 December 2020- 31 March 2021 - High Prevalence Notification

The first of the three High Prevalence notification mailouts for 2021 took place with 342 suppliers contacted compared to 389 same period last year, 376 for 2019 and 439 in March 2018. This is the lowest number of suppliers contacted in the initial mailout notified since commencement of High Prevalence letters.

As always with such notifications the full picture does not show until the other two mailouts are completed. Several factors, not the least being weather and feed availability can impact not only on the number of lambs processed from each district but also when they are processed.

As in previous high prevalence mailouts, for suppliers processing 50-100 lambs with a minimum of three infected prevalence is five times the national figure, for suppliers processing 101-2,000 lambs with a minimum of three infected prevalence is three times the national figure and for those processing over 2,000 lambs with a minimum of three infected lambs' prevalence is twice the national figure.

For this initial mailout the national prevalence, December 2020- 31 March 2021 was 0.25%.

In the North Island 242 suppliers were notified in this mailout (2020; 272, 2019; 262 suppliers). In the South Island 100 suppliers have been notified (2020; 117, 2019; 114).

*"The number of North Island notifications 638 is the 3rd lowest recorded. 235, the number of South Island farms contacted, a reduction from last year of 3.29% and the lowest recorded."*





*"Over recent seasons as the number of significant high prevalence lines have declined somewhat, so too, have these notifications."*

This accompanying graph (Fig 2) shows South Island with the greater percentage of lamb kill for this period but the North Island with the greater percentage of Sheep Measles detected and the larger number of suppliers. GRAPH 2

#### **North Island**

There was an 11% drop in notifications across North Island districts, with drops of between 48% - 52% for Wanganui, Hastings and South Taranaki.

The most significant increase seen was in Taranaki with 35 letters compared to 21 last year

#### **South Island**

In the South Island with a 14.5% overall reduction, Southland with 17 notifications is on par with previous years and leads in notifications from Clutha and Hurunui districts both with reductions in notifications from previous years. Waitaki and Waimate also had reductions while Marlborough which had reduced from 16 notifications in 2015 down to five in 2019 increased to 11 this year.

#### **Email**

The move to using emails has resulted in 297 of the 342 suppliers (87%) being contacted by email (As several farms have more than one email address a total of 339 emails were sent). The remaining 45 were sent by land mail. The processing of the land mail was done in-house.

A list of notifications and graphs by Local Authority is at the end of this report.

#### **High Prevalence Line Notifications**

These have been and remain a useful tool in alerting farmers to lines with significant levels of Sheep Measles. The notifications are provided by plant meat inspectors to OML who then forward the report to the supplier along with a cover letter and resource material. Over recent seasons as the number of significant high prevalence lines have declined somewhat, so too, have these notifications.

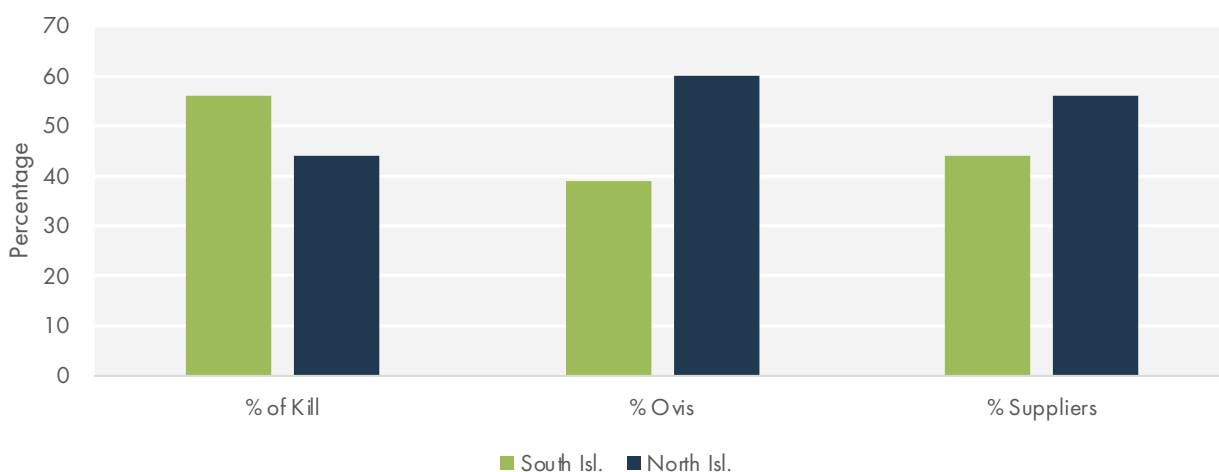
#### **Ovis Management Farmer Survey**

In late 2020 OML conducted a farmer survey looking at a number of behaviours and understanding that has been surveyed on previous occasions notably 2013, 2015 2017. In these surveys' farmers were asked about dog feeding, their treatment regimen for dogs and their response to foreign dogs coming onto their farms. These are considered core control activities in reducing or maintaining prevalence at low levels.

The 2020 survey covered these points as well as seeking responses or awareness of OML activity around social media.

This survey was sent to 300 high prevalence suppliers processing over 1,000 lambs and 300 suppliers also killing more than 1,000 lambs but with zero ovis prevalence. 204 replies were received.

Fig.2 North Island vs South Island - December 20 - March 2021





### Comment

The survey indicates that most of the behaviours seen in previous survey remain in place across two groups, those who breed and finish their own lambs and those who trade all or some lambs.

High levels of feeding of sheep meat accompanied by extremely high levels of meat being treated before being fed to dogs with freezing at 92% remaining the overwhelming choice of meat treatment.

Dog treatment by way of administering praziquantel tablets remains high with over 95% of those surveyed using this to prevent infection, 56.3% said they dose monthly and 25% said they dose 4-6 weekly. Given there are no informal/formal 6 weekly dosing programmes remaining in the country it is likely that nearly all of these are in fact on monthly dosing it would show a high level of monthly dosing already in place.

These outcomes support findings of previous surveys.

One area that saw a slight drop off was in controlling visiting dogs where Traders went from 72% asking in 2017 to 62% in 2020 whereas Homebred suppliers lifted from 72% to 76%.

### Summary

- 81% of respondents feed sheep meat.
- 82.5% feed sheep meat at least once a week.
- 97% treat sheep meat before feeding.
- 92% freeze prior.
- 95.6% treat all dogs with praziquantel drugs.
- 56.37% say they are dosing monthly and 25% say they are treating dogs between 4-6 weeks.
- 41% of farmers look to control external dogs entering the farm.
- Facebook is the most viewed of social media.

- 12.53% the number of respondents who have seen information or news on Ovis Management on social media.
- 92.8% of farmers are aware of Ovis Management.
- 92.67% believe they have the resources and information needed to control on farm Ovis.
- 69.95% believe vet clinics are key information sources.

### Localised Mail Drops

OML has conducted ten targeted maildrops, down from 20 last year. These have been carried out in locations where high levels of Sheep Measles exist around sheep farms that appear to be carrying out appropriate on farm control. The farmer provides the name and phone number of their mail delivery person and OML liaises with them to carry out the drop. The drops contain a cover letter and pamphlet. They are delivered to rural mailboxes or in some cases via post office boxes in small settlements. The drops in the past year have ranged in size from four in one location and up to 150 letters in a built-up rural area. They are primarily targeted at dog owners living in rural areas. The aim is to raise awareness and reduce the risk to farms of external infection. Such drops have been conducted in Aria, Biddeford, Waipukarau, Colyton, Pirinoa, Weber (2) and Coalgate areas.

### Awareness via Councils

Over a wider area and as part of OML's approach of looking to put sheep measles in front of general dog owners, OML has worked with a number of councils to place DLE information sheets in Dog Registration forms. The sheets are provided by OML. Support for the past year has come from South Wairarapa, Carterton and Hastings.

### Public Events

Covid has impacted on the number of public displays OML attends with the cancellation of a number of events across the country. In the past 12 months OML has attended events at Gisborne, Wairoa and Central Districts.

*"it would show a high level of monthly dosing already in place."*





*“The ability to show suppliers their own prevalence information and discuss control options is an important component in creating awareness among farmers.”*

The objective at these events is to meet and discuss ovis prevalence with suppliers and where possible discuss prevalence data held in the national database relating to their stock.

The events also allow discussion with other visitors such as dog owners, rural agricultural contractors, small block holders, hunters and vets.

The ability to show suppliers their own prevalence information and discuss control options is an important component in creating awareness among farmers. OML balances the desirability to have data available for viewing with the need to ensure compliance with the Privacy Act 2020. This means a series of checks are in place to establish ownership before data is displayed.

OML has also attended training days with dog trainer Lloyd Smith and has given presentations to cadet training farms, and meat company livestock teams.

### **Farm Visits**

Covid also impacted on the ability to visit some high prevalence farms however, a total of 112 farms were visited one fewer than the previous year.

Farm visits to properties with high prevalence of Sheep Measles provide an opportunity to identify and discuss areas of weakness in control. This year OML has attended on-farm meetings that have ranged from large staff gatherings to one-on-one meetings.

Farms visited were in Carterton 2, Franklin 1, Gisborne 12, Central Hawkes Bay 2, Hastings 4, Masterton 2, Manawatu 4, Otorohanga 1, Rangitikei 6, Ruapehu 2, Stratford 6, South Wairarapa 4, Tararua 12, Taranaki 6, Taupo 3, Whakatane 1, Whanganui 2, Waikato 3, Waitomo 8, Waipa 2 and Wairoa 7.

In the South Island farms in Ashburton 5, Clutha 5, Dunedin 1, Gore 1, Southland 8, Waimate 3, and Waitaki 2 have had visits.

This current year to July, 79 farms across the country have been visited.

## **Ovis Management Online**

Responding to the impact and widespread use of social media OML has worked with Quest Marketing of Hawke's Bay to use Facebook to engage with suppliers and dog owners, primarily in rural areas. The challenges of getting traction and building audiences creates the need to develop and provide content, a concept OML continues to build on. A survey at the beginning of the year reinforced that if used at all Facebook and to a lesser degree Instagram are the most viewed sites by sheep farmers.

As prevalence reduces on farms, the risk posed by external dogs whose treatment status is unknown increases, therefore, OML has also worked with Fish & Game, the Conservation Department and the Walking Access Commission to have links to the OML website from their own websites to raise understanding of dog owners' responsibilities when entering rural areas.

The OML website continues to generate visitors and has available downloadable resources. In addition, OML also continues to add resources and material to the website including an interactive map showing prevalence for each region. The map is updated at the time of each of the three mailouts.

### **Financial**

OML total income in the 2020/21 year was \$351,612 of which \$335,305 was from processor contributions. Total expenditure was \$332,582 which resulted in OML having excess income over expenditure of \$19,030.

The funding of OML by way of a meat processor contribution of \$0.015 per sheep, lamb and goat processed has been in place for eleven years with OML operating within that income stream.

### **Veterinary Contact**

Surveys clearly identify rural veterinarians and their practices as the main source of information for sheep farmers seeking guidance on the control of Sheep Measles.



To ensure they in turn have access to appropriate current information OML has a programme of providing identified clinics with resource packs.

Approximately 202 "key" vet practices have been identified with the goal that a third of these are visited and provided updated resources annually. Aside from providing material the visits provide the opportunity to meet new staff and discuss control and treatment options. OML also emails out, three times a year, veterinary updates providing national and local prevalence data that can be used in newsletters.

Additional copies of materials contained in the resource packs such as codes of practice, signs, pamphlets, fridge magnets etc. are freely available to clinics on request. As well as these OML continues to develop additional resources calendar stickers to remind when dosing is due. All of these are designed to maintain awareness of sheep measles and its control on farm.

### DeerPro Database

The ongoing relationship between OML and DeerPRO continues with the deer database as a module of the Ovis database. This relationship provides value to both parties with the synergies the database provides for capturing and holding data in industry based and owned databases.

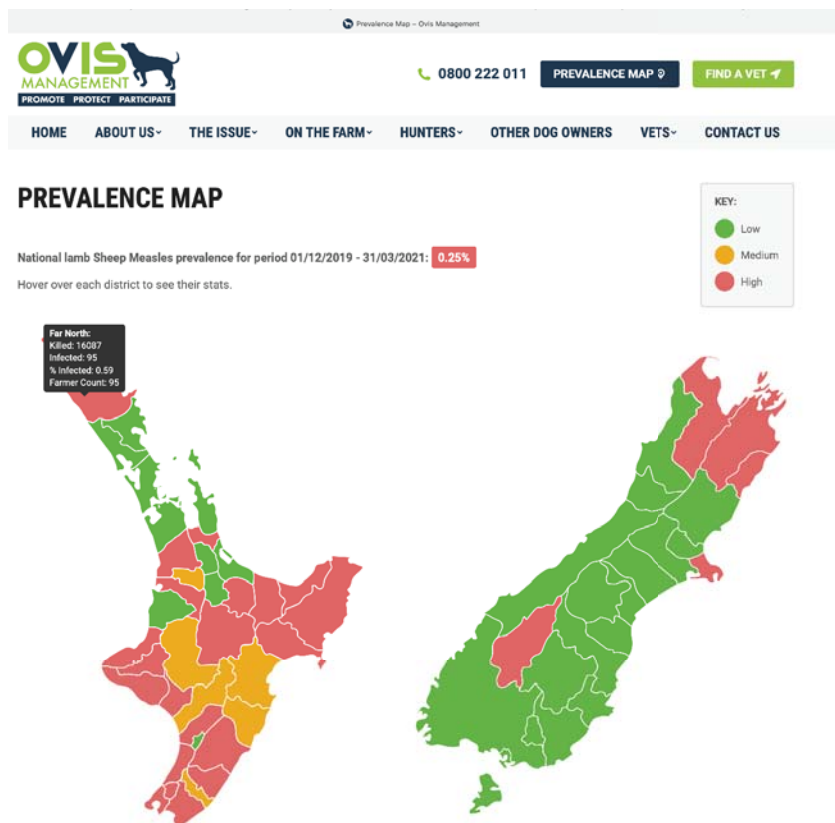
### Database Security

To ensure OML Operates within the confines of the Privacy Act 2020 the company is audited by an external party every second year. The most recent audit took place in September 2020 with the auditor's letter at the back of the Annual Report.

### Plant Recording of Sheep Measles Data

Meaningful feedback to suppliers is dependent on the recording of ovis prevalence by AsureQuality and company meat inspectors in 33 of the lamb processing plants throughout the country. In plants with touchscreens inspectors record disease information directly into company databases. Where manual ticketing exists the capture of

*"The OML website continues to generate visitors and has available downloadable resources. In addition,"*



## Sheep Measles High Prevalence Update



Hi everyone - Dan here.

As we head into winter its great seeing the prevalence of sheep measles remaining at the record low levels of the past two years (see prevalence data). A key factor in this is the increasing number of farmers treating dogs monthly for sheep measles using praziquantel drugs.

Read on below for a lot more information on what's happening in the world of sheep measles.

All the best, **Dan Lynch**



*“The overall combined data capture rate for sheep measles across all plants for the October 2019- September 2020 period was 90.50%.”*

disease/defect data is dependent on graders identifying and recording the indicator ticket when the carcass passes over the scales. The majority of the lambs processed are at sites with touchscreens where data is captured direct from inspectors and this ensures, unless a software glitch occurs, high rates of information capture. However, manual ticketing remains important and in recent years the high levels of capture have regressed somewhat. OML has focused on this in the past 12 months and continues to work with plants to maximise recording.

In the past 2019/20 October- September season the manual capture rate was 84.7%. For the current season up to June 2021 it is 84.2%.

The overall combined data capture rate for sheep measles across all plants for the October 2019- September 2020 period was 90.50%. For the current season to end of June 2021 total data capture is 93.62% . (Fig 3)

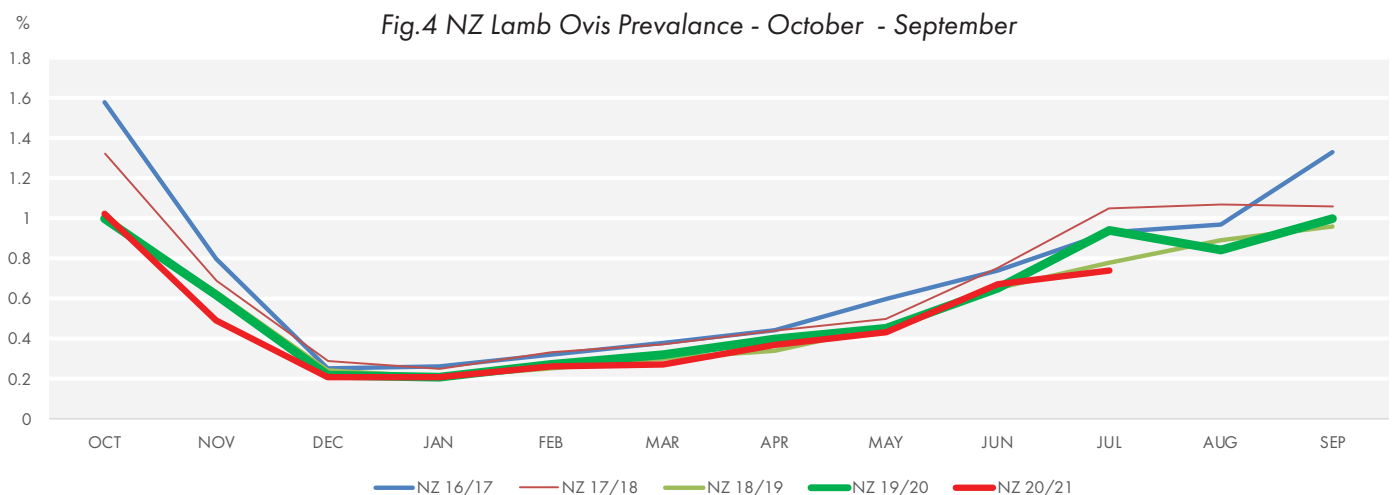
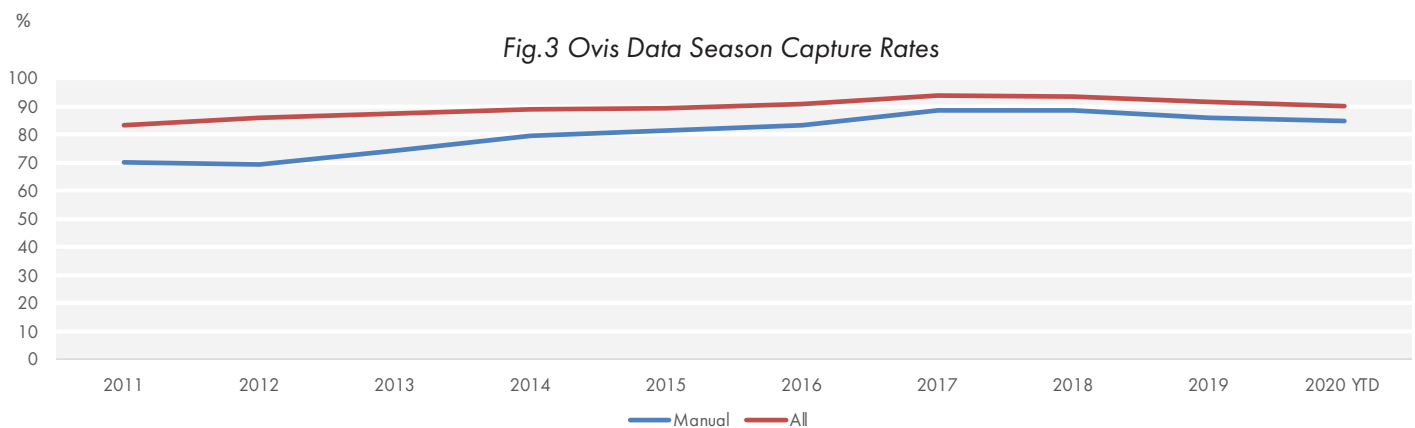
### Ovis Management Database: The Numbers

For the October 2019 - September 2020 season the OML database received line by line data from 33 sites processing 18971,276 lambs. The lambs came from 13,701 suppliers (2018/19 13,395 suppliers; 18,743,907 lambs, 2017/18; 14,244 suppliers, 19,830,352 lambs, 2016/17; 14,252 suppliers, 19,250,739 lambs; 2015/16; 15,365 suppliers, 19,968,452 lambs, 2014/15; 15,963 suppliers 20,823,551 lambs).

A total of 9,055 suppliers killed more than 100 lambs (2019; 9,025, 2018: 9,516, 2018: 9,605, 2017: 10,326, 2016; 10,610).

A total of 4,592 suppliers killed more than 1,000 lambs (2019; 4,575, 2018: 4,792, 2017; 4,774, 2016; 5,036).

710 suppliers processed more than 5,000 lambs (2019; 707, 2018: 679, 2017; 678, 2016; 677).







A total of 6,426 suppliers or 46.9% had one or more lamb detected with sheep measles (2019; 6,416 / 48.8%, 2018: 6,975 / 48.9%, 2017; 7,267 / 50.9%, 2016; 7,752 / 50.4%).

3,492 suppliers were eligible for high prevalence status, that is, killing greater than 50 lambs with more than three infected (2019; 3,510, 2018; 3,981, 2017; 4,119, 2016; 4,466).

### Lamb Ovis Prevalence 2019/20 Season

C. ovis prevalence detected in lambs at processing for the past year remains at the low levels seen in previous years, for the past 2019-20-year, lamb prevalence has been at a record equalling low. The October 2019 - September 2020 prevalence of 0.48% is the same as the last season. This figure is a marked reduction from 0.57% the previous 2017/18 year and 0.59% the season prior (Fig.4)

The prevalence figure is derived from meat inspection and processor summary data across plants. The figure when set against that when the Government of the day left control of sheep measles to the industry reflects how suppliers have taken responsibility for on farm control and indicates that farmer behaviour continues to place downward pressure on the parasite.

One feature of the prevalence in recent seasons is the low levels of Ovis seen in winter kill lambs. This has become a feature since 2018 and, given many of these lambs are traded, is a pleasing outcome (Fig.5)

### Lamb Ovis Prevalence 2020/21 Season to Date

For the current 2020-2021 season prevalence is tracking slightly lower than last season with significantly, the North Island prevalence in recent months the lowest recorded.

*"One feature of the prevalence in recent seasons is the low levels of Ovis seen in winter kill lambs."*

Fig.5 Lamb Prevalence by Calendar Year

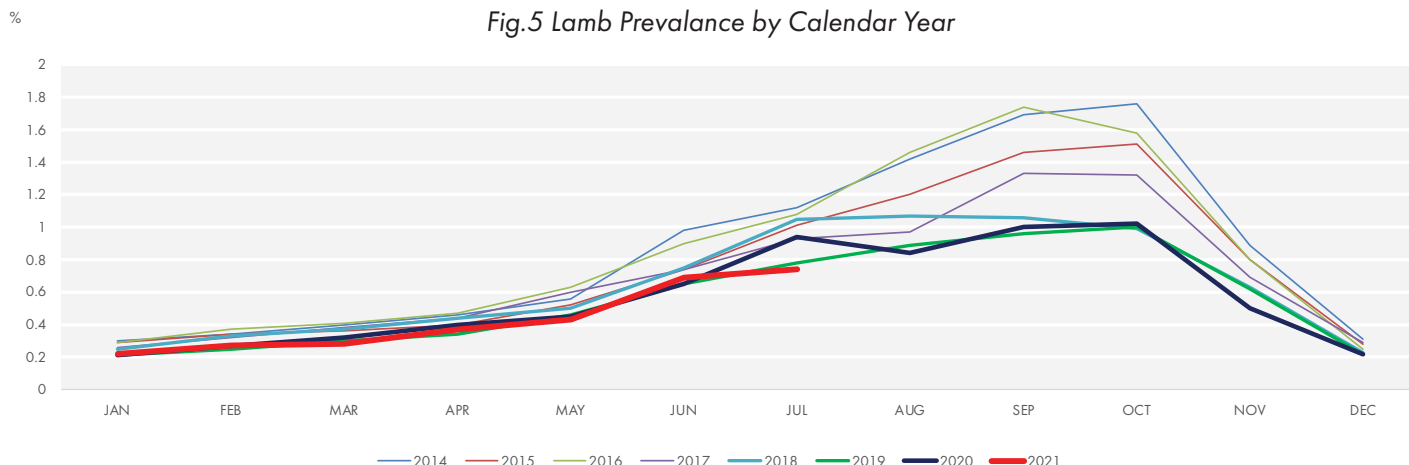
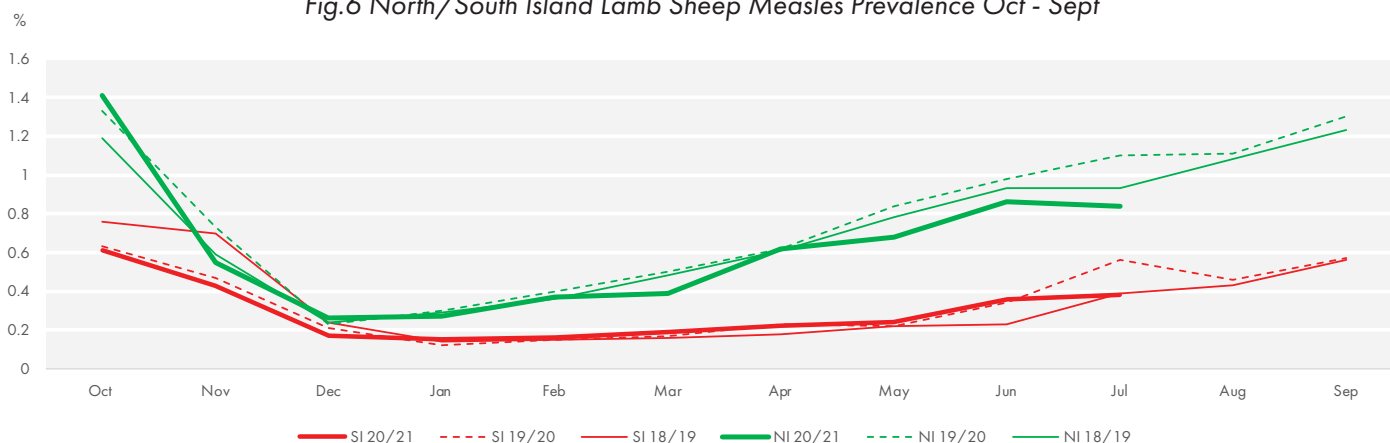


Fig.6 North/South Island Lamb Sheep Measles Prevalence Oct - Sept





*South Island High Prevalence letters sent December 2019 - November 2020*

| TLA             | Letters<br>20 | Letters<br>19 | Letters<br>18 | Letters<br>17 | Letters<br>16 | Letters<br>15 | Letters<br>14 | Letters<br>13 | Letters<br>12 | Letters<br>11 | Letters<br>10 |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Clutha          | 33            | 19            | 23            | 30            | 20            | 27            | 40            | 26            | 21            | 27            | 40            |
| Hurunui         | 31            | 35            | 40            | 30            | 22            | 37            | 35            | 32            | 32            | 40            | 40            |
| Marlbrough      | 26            | 34            | 41            | 68            | 40            | 58            | 40            | 31            | 21            | 28            | 43            |
| Sthland         | 26            | 28            | 27            | 32            | 33            | 30            | 53            | 41            | 33            | 25            | 48            |
| Ashburton       | 20            | 5             | 14            | 21            | 14            | 18            | 37            | 23            | 19            | 24            | 39            |
| Waimate         | 13            | 12            | 7             | 9             | 9             | 12            | 18            | 13            | 11            | 13            | 14            |
| Waitaki         | 11            | 18            | 22            | 25            | 14            | 16            | 28            | 26            | 22            | 20            | 15            |
| Tasman          | 10            | 9             | 20            | 16            | 16            | 30            | 15            | 16            | 9             | 12            | 16            |
| C Otago         | 9             | 20            | 19            | 16            | 27            | 20            | 22            | 23            | 20            | 36            | 22            |
| Selwyn          | 8             | 24            | 27            | 21            | 10            | 25            | 38            | 16            | 12            | 35            | 33            |
| Timaru          | 8             | 7             | 15            | 9             | 8             | 11            | 17            | 12            | 12            | 27            | 20            |
| Gore            | 8             | 2             | 4             | 8             | 5             | 7             | 5             | 10            | 8             | 15            | 23            |
| Dunedin         | 6             | 5             | 17            | 14            | 14            | 11            | 17            | 18            | 14            | 10            | 9             |
| Waimak          | 6             | 5             | 15            | 6             | 10            | 10            | 16            | 9             | 11            | 11            | 26            |
| Kaikoura        | 6             | 4             | 6             | 6             | 5             | 6             | 5             | 9             | 1             | 6             | 2             |
| Qtown           | 4             | 5             | 1             | 1             | 5             | 5             | 5             | 8             | 3             | 4             | 6             |
| Chch            | 3             | 1             | 0             |               | 2             | 2             | 4             |               | 4             | 3             | 3             |
| McKenzie        | 3             | 4             | 5             | 6             | 4             | 6             | 10            | 7             | 9             | 5             | 7             |
| Banks Penin     | 3             | 3             | 4             | 2             | 3             | 7             | 5             | 5             | 3             | 13            | 5             |
| Chat Isl        | 1             |               |               | 2             | 2             | 1             | 2             | 1             |               | 0             |               |
| Nelson          |               | 2             | 1             | 1             |               | 2             |               |               |               | 1             | 1             |
| Ingill          |               | 1             | 5             | 2             | 8             | 2             | 3             |               | 2             | 2             | 5             |
| Greymouth       |               |               |               | 3             | 1             | 1             |               |               |               | 0             | 1             |
| Buller          |               |               |               |               |               | 2             |               |               |               | 0             | 1             |
| West Land       |               |               |               |               |               | 1             |               | 2             |               | 2             | 1             |
| <b>SI Total</b> | <b>235</b>    | <b>243</b>    | <b>313</b>    | <b>328</b>    | <b>272</b>    | <b>347</b>    | <b>415</b>    | <b>328</b>    | <b>267</b>    | <b>359</b>    | <b>420</b>    |

**23.29% reduction**

| NZ TOTAL | 873           | 842           | 933           | 986           | 923           | 998           | 1139          | 1095          | 922           | 1022          | 1050          |
|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|          | Letters<br>20 | Letters<br>19 | Letters<br>18 | Letters<br>17 | Letters<br>16 | Letters<br>15 | Letters<br>14 | Letters<br>13 | Letters<br>12 | Letters<br>11 | Letters<br>10 |





# North Island High Prevalence letters sent December 2019 - November 2020

|                 | Letters<br>20 | Letters<br>19 | Letters<br>18 | Letters<br>17 | Letters<br>16 | Letters<br>15 | Letters<br>14 | Letters<br>13 | Letters<br>12 | Letters<br>11 | Letters<br>10 |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Gisborne        | 92            | 84            | 91            | 104           | 96            | 78            | 86            | 87            | 84            | 75            | 58            |
| Hastings        | 55            | 71            | 64            | 55            | 57            | 59            | 66            | 73            | 45            | 62            | 64            |
| C H Bay         | 49            | 53            | 57            | 51            | 43            | 51            | 63            | 59            | 55            | 56            | 67            |
| Taranua         | 50            | 46            | 38            | 45            | 48            | 46            | 57            | 62            | 50            | 40            | 54            |
| Rangitiki       | 49            | 33            | 43            | 53            | 46            | 45            | 48            | 43            | 46            | 23            | 44            |
| Wairoa          | 42            | 25            | 22            | 24            | 29            | 32            | 36            | 33            | 33            | 34            | 31            |
| Manawatu        | 38            | 32            | 42            | 41            | 42            | 56            | 49            | 45            | 35            | 38            | 40            |
| Ruapehu         | 36            | 45            | 31            | 37            | 51            | 57            | 39            | 44            | 37            | 40            | 35            |
| Wanganui        | 27            | 23            | 45            | 42            | 26            | 33            | 42            | 52            | 34            | 50            | 26            |
| Waitomo         | 26            | 22            | 21            | 20            | 27            | 26            | 20            | 25            | 33            | 24            | 20            |
| Masterton       | 25            | 24            | 29            | 36            | 27            | 30            | 22            | 38            | 25            | 39            | 42            |
| Sth Taranaki    | 22            | 11            | 13            | 14            | 13            | 10            | 18            | 21            | 19            | 16            | 14            |
| Sth Wairarapa   | 16            | 11            | 7             | 14            | 14            | 7             | 20            | 31            | 21            | 21            | 21            |
| Waikato         | 12            | 11            | 11            | 9             | 14            | 14            | 17            | 13            | 14            | 17            | 7             |
| Stratford       | 12            | 10            | 9             | 9             | 14            | 14            | 24            | 21            | 14            | 15            | 9             |
| Carterton       | 11            | 11            | 9             | 21            | 10            | 4             | 12            | 12            | 11            | 8             | 14            |
| Franklin        | 8             | 5             | 5             | 1             | 3             | 6             | 8             | 9             | 6             | 4             | 5             |
| Rodney          | 8             | 8             | 3             | 8             | 2             | 5             | 7             | 8             | 13            | 7             | 2             |
| Rotorua         | 7             | 5             | 12            | 11            | 9             | 8             | 16            | 6             | 10            | 10            | 6             |
| New Plym        | 7             | 10            | 11            | 10            | 18            | 10            | 12            | 11            | 11            | 13            | 14            |
| Taupo           | 6             | 8             | 9             | 6             | 4             | 5             | 6             | 6             | 7             | 9             | 7             |
| Far North       | 6             | 6             | 9             | 6             | 7             | 9             | 7             | 7             | 8             | 10            | 13            |
| Waipa           | 5             | 2             | 2             | 1             | 5             | 6             | 7             | 5             | 6             | 5             | 5             |
| Otorohanga      | 4             | 12            | 8             | 7             | 10            | 12            | 7             | 13            | 9             | 10            | 8             |
| Whakatane       | 4             | 2             | 2             | 1             | 6             | 5             | 3             | 3             | 1             | 2             | 0             |
| Kaipara         | 3             | 2             | 8             | 5             | 5             | 2             | 3             | 5             | 6             | 4             | 5             |
| Mat Piako       | 3             | 4             | 4             | 0             | 4             | 1             |               | 2             | 1             | 9             | 2             |
| Thames Coro     | 2             | 3             | 2             |               | 1             | 1             | 1             | 4             | 3             | 4             | 3             |
| Horowhenua      | 2             | 5             | 1             | 4             | 2             |               | 4             | 4             | 2             | 5             | 2             |
| Sth Waikato     | 2             | 1             | 1             | 1             | 4             | 2             | 2             | 4             | 2             | 0             | 1             |
| Opotiki         | 1             | 3             | 3             | 3             | 1             | 6             | 3             | 3             | 3             | 4             | 1             |
| Napier          | 1             | 1             | 2             | 3             |               |               | 1             | 3             | 1             | 0             | 1             |
| Whangarei       | 1             | 0             | 2             | 4             | 4             |               | 3             | 2             | 3             | 6             | 3             |
| Porirua         | 1             | 0             | 2             | 1             | 2             |               | 5             | 1             |               | 1             | 0             |
| Palm North      | 1             | 4             |               | 1             | 2             | 3             | 4             | 2             |               | 2             | 3             |
| Manukau         | 1             | 1             |               | 1             |               |               | 2             |               |               | 1             | 0             |
| Kapiti          | 1             | 1             |               |               | 0             | 1             |               | 2             | 1             | 0             | 1             |
| Welling         | 1             |               |               | 1             | 0             | 1             | 3             | 1             | 1             | 0             | 1             |
| Hamilton        | 1             |               |               |               |               |               |               | 0             | 1             |               |               |
| Bay Plenty      |               | 3             | 2             | 6             | 4             | 4             |               | 5             | 3             | 1             | 1             |
| Tauranga        |               | 1             |               |               |               |               |               |               |               |               |               |
| Up Hutt         |               | 0             |               | 2             |               |               |               |               |               |               |               |
| Hauraki         |               |               |               |               | 1             | 1             | 1             | 1             |               | 2             | 0             |
| Auckland        |               |               |               |               | 0             | 1             |               |               |               |               |               |
| Waitakere       |               |               |               |               |               |               |               | 1             | 1             | 0             | 0             |
| Low Hutt        |               |               |               |               |               |               |               | 1             |               | 1             | 1             |
| Papakura        |               |               |               |               |               |               |               | 1             |               | 0             | 1             |
| <b>NI Total</b> | <b>638</b>    | <b>599</b>    | <b>620</b>    | <b>658</b>    | <b>651</b>    | <b>651</b>    | <b>724</b>    | <b>767</b>    | <b>655</b>    | <b>663</b>    | <b>630</b>    |

6.5% Increase





# ANNUAL REPORT SPECIAL PURPOSE FINANCIAL STATEMENTS

*For the year ended 30 June 2021*

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## DIRECTORY

*For the year ended 30 June 2021*

|                            |   |
|----------------------------|---|
| <b>Principal Business:</b> | The main activity of the company is to maintain awareness of and promote control of <i>Cysticercus ovis</i> . |
| <b>Directors:</b>          | A Morrison<br>R Barton<br>G McSkimming<br>S Karapeeva   |
| <b>Project Manager:</b>    | D W Lynch   |
| <b>IRD Number:</b>         | 50-642-291  |
| <b>Registered Office:</b>  | Wellington Chambers<br>154 Featherston Street Wellington  |
| <b>Auditors:</b>           | KPMG<br>10 Customhouse Quay<br>WELLINGTON   |
| <b>Solicitors:</b>         | Burrowes & Company<br>24 Johnston Street<br>Wellington  |
| <b>Bankers:</b>            | Bank of New Zealand<br>222 Lambton Quay<br>Wellington   |
| <b>Shareholder:</b>        | Meat Industry Association of New Zealand (Inc)  |





## DIRECTORS' REPORT

*For the year ended 30 June 2021*

### Introduction

The Directors have pleasure in submitting the Annual Report of Ovis Management Limited incorporating the special purpose financial statements and auditors report, for the year ended 30 June 2021.

The report has been prepared so as to include all information required to be disclosed under the Companies Act 1993 except where the shareholders have unanimously resolved to take advantage of the reporting concessions available to them under Section 211 (3) of the Companies Act 1993.

On behalf of the Board these special purpose financial statements were approved for issue on 30th August 2021.

Director

Director

Date

30 August 2021

Date

30 August 2021



## STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 30 June 2021*

|  | Note | 2021<br>\$    | 2020<br>\$    |
|--|------|---------------|---------------|
| Operating revenue  |      | 351,470       | 356,615       |
| Operating expenditure                                      | 1    | 332,582       | 331,159       |
| <b>Operating surplus/(deficit) before other income</b>     |      | <b>18,888</b> | <b>25,456</b> |
| Other Income   |      | -             | -             |
| <b>Operating surplus/(deficit) before financing income</b> |      | <b>18,888</b> | <b>25,456</b> |
| Financial income   |      | 142           | 247           |
| Financial expenses   |      | -             | -             |
| <b>Net financing income</b>                                | 2    | <b>142</b>    | <b>247</b>    |
| <b>Operating surplus/(deficit) before tax</b>              |      | <b>19,030</b> | <b>25,703</b> |
| Income tax expense/(benefit)                               | 3    | -             | -             |
| <b>Net surplus/(deficit) for the year</b>                  |      | <b>19,030</b> | <b>25,703</b> |
| <b>Other comprehensive income</b>                          |      |               |               |
| Other comprehensive income for the year, net of income tax |      | -             | -             |
| <b>Total comprehensive income for the year</b>             |      | <b>19,030</b> | <b>25,703</b> |

## STATEMENT OF CHANGES IN EQUITY

*For the year ended 30 June 2021*

|   | Note | 2021<br>\$     | 2020<br>\$     |
|---|------|----------------|----------------|
| <b>Opening Balance</b>                  |      | <b>341,552</b> | <b>345,973</b> |
| Prior year adjustment                   | 7    | -              | (30,124)       |
| Total comprehensive income for the year |      | 19,030         | 25,703         |
| <b>Closing Balance</b>                  |      | <b>360,582</b> | <b>341,552</b> |





## BALANCE SHEET

as at 30 June 2021

|                                   | Note | 2021<br>\$         | 2020<br>\$         |
|-----------------------------------|------|--------------------|--------------------|
| <b>Equity</b>                     |      |                    |                    |
| <b>Issued and paid up capital</b> |      |                    |                    |
| 2 ordinary shares of \$1 each     |      | 2                  | 2                  |
| Uncalled capital                  |      | (2)                | (2)                |
| Retained earnings                 |      | 360,582            | 341,552            |
| <b>Total equity</b>               |      | <b>360,582</b>     | <b>341,552</b>     |
| <br><i>Represented by:</i>        |      |                    |                    |
| <b>Current assets</b>             |      |                    |                    |
| Cash and cash equivalents         | 4    | 387,700            | 357,903            |
| Trade and other receivables       | 5    | 28,364             | 28,552             |
| <b>Total current assets</b>       |      | <b>416,064</b>     | <b>386,455</b>     |
| <br><b>Current liabilities</b>    |      |                    |                    |
| Trade and other payables          | 6    | 32,348             | 38,564             |
| Employee benefits                 | 7    | 39,513             | 34,243             |
| <b>Total current liabilities</b>  |      | <b>71,861</b>      | <b>72,807</b>      |
| <br><b>Working capital</b>        |      | <br><b>344,203</b> | <br><b>313,648</b> |
| <br><b>Non current assets</b>     |      |                    |                    |
| Property, plant and equipment     | 8    | 16,379             | 25,572             |
| Software                          | 9    | -                  | 2,332              |
| <b>Total non current assets</b>   |      | <b>16,379</b>      | <b>27,904</b>      |
| <br><b>Net assets</b>             |      | <br><b>360,582</b> | <br><b>341,552</b> |



## NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

*For the year ended 30 June 2021*

### Statement of significant accounting policies

#### (i) Basis of reporting

The special purpose financial statements presented are for the reporting entity Ovis Management Limited (the "Company"). The purpose of the Company is to provide a low cost programme promoting control of *Cysticercus ovis* and monitoring area and national trends of prevalence in lambs.

The special purpose financial statements of the company are for the year ended 30 June 2021. The special purpose financial statements were authorised for issue by the directors on the 30 August 2021.

#### (ii) Statement of compliance and basis of preparation

The special purpose financial statements have been prepared in accordance with the accounting policies outlined in (iii) below.

The special purpose financial statements are presented in New Zealand Dollars (NZD). The special purpose financial statements are prepared on the historical cost basis except for accounts receivable which are at cost less impairment.

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

#### (iii) Particular accounting policies

The accounting policies that materially affect the measurement of financial performance and financial position are set out below:

##### Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Depreciation of property, plant and equipment is calculated on a straight-line basis over their useful lives. Gains and losses on disposal of assets are taken into account in determining the operating results for the year. The rates are as follows:

|                        |           |
|------------------------|-----------|
| Office equipment       | 7 - 40%   |
| Furniture and fittings | 10%       |
| Motor Vehicles         | 21.0%     |
| Computer hardware      | 10% - 67% |

##### Intangible assets

Computer software is stated at cost less any accumulated amortisation. Amortisation is recognised in the Income statement on a straight line basis over the estimated useful life of the intangible asset.

|                   |     |
|-------------------|-----|
| Computer Software | 40% |
|-------------------|-----|

##### Revenue

- Revenue represents amounts received and receivable from meat companies paid on a 1.5 cents basis (2020: 1.5 cents) for each sheep, lamb or goat processed.
- Revenue from services is recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the service contract.
- Net financing income comprises of interest received on call deposits and is recognised in Statement of Comprehensive Income.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

##### Trade and other receivables

Accounts receivable are stated at cost less impairment losses.

##### Trade and other payables

Trade and other payables are stated at cost.

##### Goods and Services Tax

The special purpose financial statements are prepared exclusive of Goods and Services Tax (GST), with the exception of receivables and payables, which include GST.

##### Taxation

The tax expense recognised in the Statement of Comprehensive Income is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior periods.

No account is taken of deferred income tax.

##### Expenses

Expense represents amounts paid and payable to suppliers for services received during the year.



|          |   |                   |                   |
|----------|---|-------------------|-------------------|
| <b>1</b> | <b>Operating expenditure</b>  | <b>2021</b><br>\$ | <b>2020</b><br>\$ |
|          | Audit remuneration  | 6,000             | 5,210             |
|          | Tax services  | 1,000             | 1,450             |
|          | Depreciation  | 9,193             | 9,850             |
|          | Director's fees – Chairman  | 18,000            | 18,000            |
|          | Personnel expenses  | 147,495           | 144,484           |
|          | Other operating expenses  | 150,894           | 152,165           |
|          | <b>Total operating expenditure</b>  | <b>332,582</b>    | <b>331,159</b>    |
| <b>2</b> | <b>Net financing income</b>   | <b>2021</b><br>\$ | <b>2020</b><br>\$ |
|          | Interest revenue  | 142               | 247               |
|          | Interest expense  | -                 | -                 |
|          | <b>Net financing income</b>   | <b>142</b>        | <b>247</b>        |
| <b>3</b> | <b>Taxation</b>   | <b>2021</b><br>\$ | <b>2020</b><br>\$ |
|          | <b>Reconciliation of effective tax rate</b>   |                   |                   |
|          | Operating surplus/(deficit) before tax  | <b>19,030</b>     | <b>25,703</b>     |
|          | Income tax using Company tax rate 28%   | 5,328             | 7,197             |
|          | Non-assessable income/non-deductible expenses at company rate   | 1,485             | 1,335             |
|          | Losses provided to/from parent  | (6,814)           | (7,261)           |
|          | Losses bought forward and utilised at Company tax rate  | -                 | (1,271)           |
|          | Tax @ Company Tax Rate  | -                 | -                 |
|          | Prior year adjustment   | -                 | -                 |
|          | Tax benefit of losses not recognised  | -                 | -                 |
|          | <b>Income tax expense/(benefit) per income statement</b>  | <b>-</b>          | <b>-</b>          |
|          | The Company and its parent has \$539,831 of tax losses to carry forward (2020: \$544,210), which the company is able to utilise. The availability of losses to carry forward is subject to the Company continuing to meet the requirements of the Income Tax Act, and agreement of the tax losses by the Inland Revenue Department. |                   |                   |
|          | <b>Imputation credit memorandum account</b>   | <b>2021</b><br>\$ | <b>2020</b><br>\$ |
|          | Balance at beginning of year  | 197,500           | 197,505           |
|          | Income tax paid/(refund)  | (70)              | (75)              |
|          | Prior year adjustment   | 1,908             | -                 |
|          | RWT on interest received  | 40                | 70                |
|          | <b>Balance at end of year</b>   | <b>199,378</b>    | <b>197,500</b>    |





|          |                                    |                |                |
|----------|------------------------------------|----------------|----------------|
| <b>4</b> | <b>Cash and cash equivalents</b>   | <b>2021</b>    | <b>2020</b>    |
|          |                                    | \$             | \$             |
|          | Bank balances                      | 113,711        | 42,432         |
|          | Call deposits                      | 273,989        | 315,471        |
|          | <b>Balance as at 30 June</b>       | <b>387,700</b> | <b>357,903</b> |
| <b>5</b> | <b>Trade and other receivables</b> | <b>2021</b>    | <b>2020</b>    |
|          |                                    | \$             | \$             |
|          | Trade receivables                  | 27,628         | 22,547         |
|          | RWT Receivable                     | 696            | 70             |
|          | Other Receivables and Prepayments  | 40             | 5,935          |
|          | <b>Balance as at 30 June</b>       | <b>28,364</b>  | <b>28,552</b>  |
|          | Impairment loss deducted           | -              | -              |
| <b>6</b> | <b>Trade and other payables</b>    | <b>2021</b>    | <b>2020</b>    |
|          |                                    | \$             | \$             |
|          | Trade Payables                     | 28,855         | 33,154         |
|          | GST Payable                        | -              | 1,986          |
|          | PAYE Payable                       | 3,493          | 3,424          |
|          | <b>Balance as at 30 June</b>       | <b>32,348</b>  | <b>38,564</b>  |
| <b>7</b> | <b>Employee benefits</b>           | <b>2021</b>    | <b>2020</b>    |
|          |                                    | \$             | \$             |
|          | Liability for Annual Leave         | 5,879          | 1,858          |
|          | Liability for Retirement Leave     | 33,634         | 32,385         |
|          | <b>Balance as at 30 June</b>       | <b>39,513</b>  | <b>34,243</b>  |



## 8 Property plant and equipment

|  | 2021    | 2020    |
|--|---------|---------|
|  | \$      | \$      |
| <b>Furniture and fittings</b>              |         |         |
| At cost                                    | 775     | 775     |
| Accumulated depreciation                   | 775     | 775     |
|  | -       | -       |
| Current year depreciation                  | -       | -       |
| <b>Motor vehicles</b>                      |         |         |
| At cost                                    | 37,540  | 37,540  |
| Accumulated depreciation                   | 24,306  | 16,423  |
|  | 13,234  | 21,117  |
| Current year depreciation                  | 7,883   | 7,883   |
| <b>Computer hardware</b>                   |         |         |
| At cost                                    | 16,739  | 16,739  |
| Accumulated depreciation                   | 16,739  | 16,270  |
|  | -       | 469     |
| Current year depreciation                  | 469     | 1,126   |
| <b>Office equipment</b>                    |         |         |
| At cost                                    | 69,753  | 69,753  |
| Accumulated depreciation                   | 66,607  | 65,767  |
|  | 3,146   | 3,986   |
| Current year depreciation                  | 841     | 841     |
| <b>Total property, plant and equipment</b> |         |         |
| At cost                                    | 124,807 | 124,807 |
| Accumulated depreciation                   | 108,427 | 99,235  |
|  | 16,380  | 25,572  |
| Current year depreciation                  | 9,193   | 9,850   |

There is no impairment loss recognised during the year (2020: nil).

## 9 Intangible Assets

|                           | 2021  | 2020  |
|---------------------------|-------|-------|
|                           | \$    | \$    |
| <b>Software</b>           |       |       |
| At cost                   | 6,995 | 8,295 |
| Accumulated Amortisation  | 6,995 | 5,963 |
|                           | -     | 2,332 |
| Current year amortisation | 2,332 | 2,798 |

There is no impairment loss recognised during the year (2020: nil).



## 10 Capital commitments

There are no capital commitments outstanding as at balance date (2020: nil).

## 11 Contingent liabilities

There are no contingent liabilities outstanding as at balance date (2020: nil).

## 12 Related party information

### *(i) Identity of related parties*

The Meat Industry Association of New Zealand (Inc) owns 100% of Ovis Management Limited. The Association charges a service fee for management and administrative services.

### *(ii) Related party transactions*

Ovis Management Limited pays service fees of \$20,000 (2020: \$20,000) to Meat Industry Association of New Zealand (Inc) for administration services provided. As at year end, Ovis Management Limited had \$nil (2020: \$5,716) payable to Meat Industry Association (parent company) This relates to service fees and office expenses paid by Meat Industry Association on Ovis Management Limited's behalf.

During the year ended 30 June 2021, Ovis Management and the Meat Industry Association of New Zealand (Inc) transacted with a company, related to a board member, in the normal course of business. The transactions were on consistent commercial terms with other meat companies.

During the year ended 30 June 2021, Ovis Management received \$71,411 (2020: \$76,365) from a company related to one board member which was included in operating revenue and has recognised a receivable of \$2,736 (2020: \$3,526) from this company.

Ovis Management Limited tax losses are available for use by its parent, Meat Industry Association. As at 30 June 2021 tax losses available to Meat Industry Association and its subsidiaries are \$539,831 (2020: \$544,210).

### *(iii) Remuneration*

Total remuneration is included in personnel expenses (see note 1). The Chairman is paid an annual fee; (see note 1).

## 13 Subsequent events

There are no events subsequent to balance date that would materially effect these financial statements (2020: nil).







# Independent Auditor's Report

To the shareholder of Ovis Management Limited

## Report on the audit of the special purpose financial statements

### Opinion

In our opinion, the accompanying special purpose financial statements of Ovis Management Limited (the company) on pages 23 to 29:

- i. present, in all material respects the company's financial position as at 30 June 2021 and its financial performance for the year ended on that date in compliance with the company's adopted accounting policies and constitution

We have audited the accompanying special purpose financial statements which comprise:

- the balance sheet as at 30 June 2021;
- the statements of comprehensive income and changes in equity for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the special purpose financial statements section of our report.

Our firm has also provided other services to the company in relation to tax compliance services. This matter has not impaired our independence as auditor of the company. The firm has no other relationship with, or interest in, the company



### Emphasis of matter – Basis of Accounting

Without modifying our opinion, we draw attention to the accounting policies to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to meet the requirements of the company's constitution. As a result, the special purpose financial statements may not be suitable for another purpose.



### Other information

The Directors, on behalf of the company, are responsible for the other information included in the Company's Annual Report. Our opinion on the special purpose financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the special purpose financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the special



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

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## Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

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## Responsibilities of the Directors for the special purpose financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation of the special purpose financial statements in accordance with the company's constitution;
  - implementing necessary internal control to enable the preparation of a special purpose set of financial statements that is free from material misstatement, whether due to fraud or error; and
  - assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.
- 



## Auditor's responsibilities for the audit of the special purpose financial statements

Our objective is:

- to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent 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 ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these special purpose financial statements.

A further description of our responsibilities for the audit of these special purpose financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

KPMG  
Wellington

30 August 2021



23 November 2020

Mr Roger Barton  
Chairman of Directors  
Ovis management Ltd  
Stonestead RD 1  
Greytown 5794

Dear Mr Barton,

This letter is to advise you that the biennial audit of the Ovis Management Ltd (OML) quality management system took place on 5 November 2020.

The audit followed the same form and had the same objectives as the audits conducted in previous years. The objectives of the audit were to:

- Assess the extent of compliance with the various procedures and protocols put in place by the Company to ensure the security of data supplied by meat companies and the confidentiality of information held by OML; and
- to review the operational functions of the quality management system – i.e. the disease database along with its supporting documentation, and to make any suggestions for improvement; and
- to review the documented system in order to validate the extent of compliance with relevant requirements of the Privacy Act 1993 No 28 and any changes needed to be made to comply with the Privacy Act 2020 No 31.

The overall audit finding was that there was adequate evidence available to demonstrate that the implementation of the OML quality system is compliant with the Company's documented procedures and the relevant requirements of the Privacy Act 1993. Some minor changes will be necessary to comply with the new Privacy Act which comes into force on December 1 this year. These have been advised to the OML Project Manager as part of a separate Auditing Solutions Ltd report dated 20.11.2020.

Yours faithfully,



Rod Baxter  
Senior Auditor  
Auditing Solutions NZ Ltd  
110 Mandeville Street,  
Riccarton, Christchurch 8011  
PO Box 7469, Sydenham, Christchurch 8240  
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