

ANNUAL REPORT

2022







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Mission

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 Tuesday 6th September 2022, in the Board Room, Level 5, Wellington Chambers, 154 Featherston Street, Wellington, 11:30am.

AGENDA

1. To approve the minutes of the 2021 Annual General Meeting.
2. To receive and consider the Directors Report, Auditors Report and Accounts for the year ended 30 June 2022.
3. The appointment of Auditors for the forthcoming year.
4. General business.

M. Simpson
Secretary
HALCOMBE

20th August 2022



DIRECTORY

CHAIRMAN:	RT Barton Woodside RD1, GREYTOWN 5794
DIRECTORS:	SB Karapeeva 108 Buckley Road, Southgate, WELLINGTON 6023 GB McSkimming 16 Hoylake Street, OUTRAM 9019 AD Morrison RD5, GORE 9775
ASSOCIATE DIRECTOR:	J Griffin 1040c Rangiotu Road, PALMERSTON NORTH 4477
SECRETARY:	MM Simpson 29 Vogel Street RD9, FEILDING 4779
REGISTERED OFFICE:	Level 5, Wellington Chambers, 154 Featherston Street, WELLINGTON
SOLICITORS:	Burrowes & Company 24 Johnston Street, WELLINGTON
BANKERS:	Bank of New Zealand 222 Lambton Quay, WELLINGTON
AUDITORS:	KPMG 10 Customhouse Quay, WELLINGTON
PROJECT MANAGER:	MM Simpson 29 Vogel Street RD9, FEILDING 4779



REGISTER OF INTERESTS

For the year ended 30 June 2022

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

REGISTER OF INTERESTS

For the year ended 30 June 2022

DIRECTOR	INTEREST
ANDREW MORRISON	<p>Chairman of:</p> <ul style="list-style-type: none">• Beef and Lamb NZ Ltd• NZ Meat Board <p>Director of:</p> <ul style="list-style-type: none">• Ovis Management Limited• Ballance Agri Nutrients Ltd• Glenroy Morrison Ltd• Meat and Wool Trust Ltd• Pastoral Greenhouse Gas Research Ltd• Primary Resources Ltd• Wool Research Organisation of NZ Ltd <p>Shareholder of:</p> <ul style="list-style-type: none">• Farmlands Ltd• Ballance Agri Nutrients Ltd• Alliance Group Ltd <p>Member of:</p> <ul style="list-style-type: none">• Food and Fibre Leaders Group• Food and Fibre Partnership Group
GREG MCSKIMMING	<p>Director of:</p> <ul style="list-style-type: none">• Ovis Management Limited• Meat the Need <p>Shareholder of:</p> <ul style="list-style-type: none">• Silver Fern Farms Ltd• BK & V McSkimming Family Farms <p>Officer of:</p> <ul style="list-style-type: none">• NZ Farm Assurance Incorporated• Outram Charitable Trust





CHAIRMAN'S REPORT 2022

On behalf of the board and management I am pleased to present the Chairman's report for the 2021/22 year.

This year would be best described as a year of change and challenge. As I flagged last year, we had the retirement of Dan Lynch as Project Manager after a stellar contribution spanning the period from 1993 to 2021. Our new Project Manager, Michelle Simpson, had a three-month period working alongside Dan in a very structured transition covering off all facets of the work involved. As a result, Michelle has hit the ground running and the transition has been very easy. Michelle brings a different skill base and background from Dan and the changeover has gone particularly smoothly.

The vagaries of Covid-19 and its variants have added challenges into running the business effectively but we know that we are not alone in that regard with many of the processing plants having far more disruption than we have been subject to. Thankfully the data flow from the plants seems to be getting delivered on a timely basis and the work identifying high prevalence suppliers continues as it needs to. Our usual interface at agricultural shows has been very limited and while in the short term there are some savings within the business it is hardly a model that lets us engage with the wider public. Public events often expose some of the misunderstandings around the effective management of Ovis and we look forward to a return to normality in this regard.

It is unfortunately a recurring theme in my chairman's reports but the sheep industry continues to decline in base numbers. The steady creep of Carbon "farming" continues to erode the productive base of the industry. Aside from the issues with wool production and its low value currently, the lamb market has been strong and sheep farming generally quite positive.

Australia's sheep population is undergoing a surge in numbers with increased demand for product and a less drought ravaged landscape. Will we ever see that change here with policy settings? Do the public actually understand that carbon "farming" has a limited life to generate income. Once the carbon ceiling is attained that's it ... no more income.

Prevalence levels continue their downward trend (.42% cf. 44% last year) with recent analysis suggesting the South Island has more effective controls than the North Island. It could also be that the South Island has a lower human count and by default dog population and that a colder climate in some locations may be of benefit. There is no doubt that those who have a rigid dog worming regime coupled with good dog management strategies around the removal of dead stock and the limiting of visiting dogs will have the best outcomes. The instigation of the NZ Farm Assurance Plans should also hone the edges to limit infection rates.

Like most industries it is the people that make the difference within the business. Our processor representative on the board, Greg McSkimming has been particularly supportive of Michelle in her new role. The gathering and analysis of the plant data is the single most important job on the journey to identifying issues on farm.

Sirma Karapeeva as the CEO of the Meat Industry Association is the conduit between the board and our parent body, the MIA. Any issues, few that there are, can be relayed quickly through the appropriate channel if need arises. Andrew Morrison as the Chair of Beef and Lamb NZ plus being a hands-on practical farmer adds great perspective and has a great appreciation of the spectrum sheep and goat farming covers from production to marketing.



During the year we farewelled our inaugural Associate Director, Alice Allsop. Alice made a great contribution over her time on the board. From a practical working background with large scale properties to bringing a fresh perspective on communicating with the younger generation. An ideal mix. Our new Associate Director is Jason Griffin. Jason has been employed by Beef and Lamb NZ for some time and brings a solid hands-on understanding of farming and the associated issues.

The Chairman of the MIA, John Loughlin also retired from the role during the year. OML always liked to think we gave John very little additional work but we liased periodically and have always been appreciative of John's support and understanding of our reason for being. We welcome Nathan Guy and look forward to working with him in similar fashion.

Michelle has adapted to the role particularly well. Whilst I was in some trepidation at losing Dan Lynch's safe pair of hands, in reality the change of Project Manager has added a different dimension to my role as chair and I have enjoyed the transition ... thanks Michelle. Her abiding line when we started together earlier in the year was "doing more with less". The MIA should be pleased with the attitude and outcome.

To Michael Pran, our financial wizard, many thanks for your assistance throughout the year. I know you and Michelle have worked closely on systems management as she merged into her new role.

I also need to reflect on the personal losses that both the Ritchie and Pran families have suffered over the year. We trust time will be the great healer.



Roger Barton
Chairman
Ovis Management Limited



PROJECT MANAGER'S REPORT

This is my first report as Project Manager after our stalwart, Dan Lynch, retired in January of this year. I am thoroughly enjoying building and developing industry relationships and feel very fortunate to have been welcomed with open arms.

I would like to thank the OML board for their support and especially Chairman Roger Barton for always being at the end of the phone when needed.

In 1962, a paper by Gordon K. Sweatman was printed in the New Zealand Veterinary Journal. The research paper was titled *"an important aspect of the hydatids eradication campaign against hydatids and its possible effect on the prevalence of Taenia ovis"*. He went on to say, "that the low incidence of *T. ovis* throughout New Zealand should not detract from controlling the parasite on individual farms or in local areas which have a *T. ovis* problem". (Sweatman, 1962).

The onus was put on industry to protect sheep meat against *T. ovis* and in 1988, Ovis Management Ltd (OML) was established.

The goal was, and still is, to generate a nationwide conversation around maintaining awareness of sheep measles and reducing the risk of market issues arising due to infection of sheep measles.

It also costs farmers and processors a lot of money due to condemned stock, so it is an important issue for the primary sector.

During June 2022, OML contracted company Primary Purpose to conduct a farmer survey. The sample structure of this survey was conducted regionally and focused on sheep and beef farmers. From this survey we established that there is still work to be done around educating farmers regarding sheep measles. 73% of farmers surveyed declared they had

heard of Ovis Management Ltd, however only 28% agreed that they knew what their core purpose is. 23% of farmers believed that sheep measles was a problem in New Zealand and 58% of farmers indicated having knowledge about sheep measles. 63% agreed that the best way to prevent sheep measles was by dosing and drenching dogs.

The OML marketing strategy includes regular and proactive methods to target our audience, multiple times through multiple channels. These channels include radio advertisements, rural media outlets, digital platforms, agricultural events and collaborating with key stakeholders.

Since 2018/19, Ovis Management Ltd has utilised social media platforms to promote awareness. Current social media platforms include Facebook, Instagram, LinkedIn, and YouTube.

The New Zealand Farm Assurance Programme is a crucial tool for sheep measles prevention. Farmers belonging to the NZFAP are required to have an active on-farm sheep measles programme to satisfy the requirements of clause 4.11 *Dog Welfare and Ovis Management*.

The sheep measles prevention program is still a low-cost and effective way of ensuring that New Zealand sheep farmers are aware of the risk that *Taenia ovis* poses to their business.

Whilst OML promotes and provides resources to maintain awareness, ultimately the key solution remains on sheep farms.

Eradication requires a high level of compliance.



Program Activity

With the decline in sheep numbers my goal is “to do more with less”.

Sam Halstead from Latitude has been contracted for marketing and communications.

Design art work, website and social media updates are now performed in-house.

High Prevalence reports:

The goal of these 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 several years and they provide an opportunity for discussion at the individual farm level.

2020-2021 High Prevalence reports

The high prevalence reports are split over three periods during the year, April; August; January.

The criteria to receive a high prevalence report is based on the current national prevalence at the time.

Three splits in the number of lambs processed are made to meet criteria:

- Suppliers with fewer than 100 lambs processed and have a current prevalence five times greater than the national prevalence.
- Suppliers processing greater <100 but >2000 lambs and have a current prevalence three times greater than the national prevalence.
- Suppliers processing more than 2000 lambs, with a current prevalence twice the national prevalence.

Notification summary:

REGION	NUMBER OF FARMERS	AVERAGE PREVALENCE %
Northland	10	6.08
Auckland	16	1.78
Bay of Plenty	24	4.75
Waikato	66	2.44
Gisborne	93	3.57
Hawkes Bay	111	2.59
Taranaki	32	3.20
Manawatu/Whanganui	159	3.39
Wellington	51	2.82
Tasman	16	3.82
Marlborough	36	4.01
West Coast	1	4.56
Canterbury	82	2.85
Otago	40	2.56
Southland	47	4.23
Chatham Islands	1	7.46

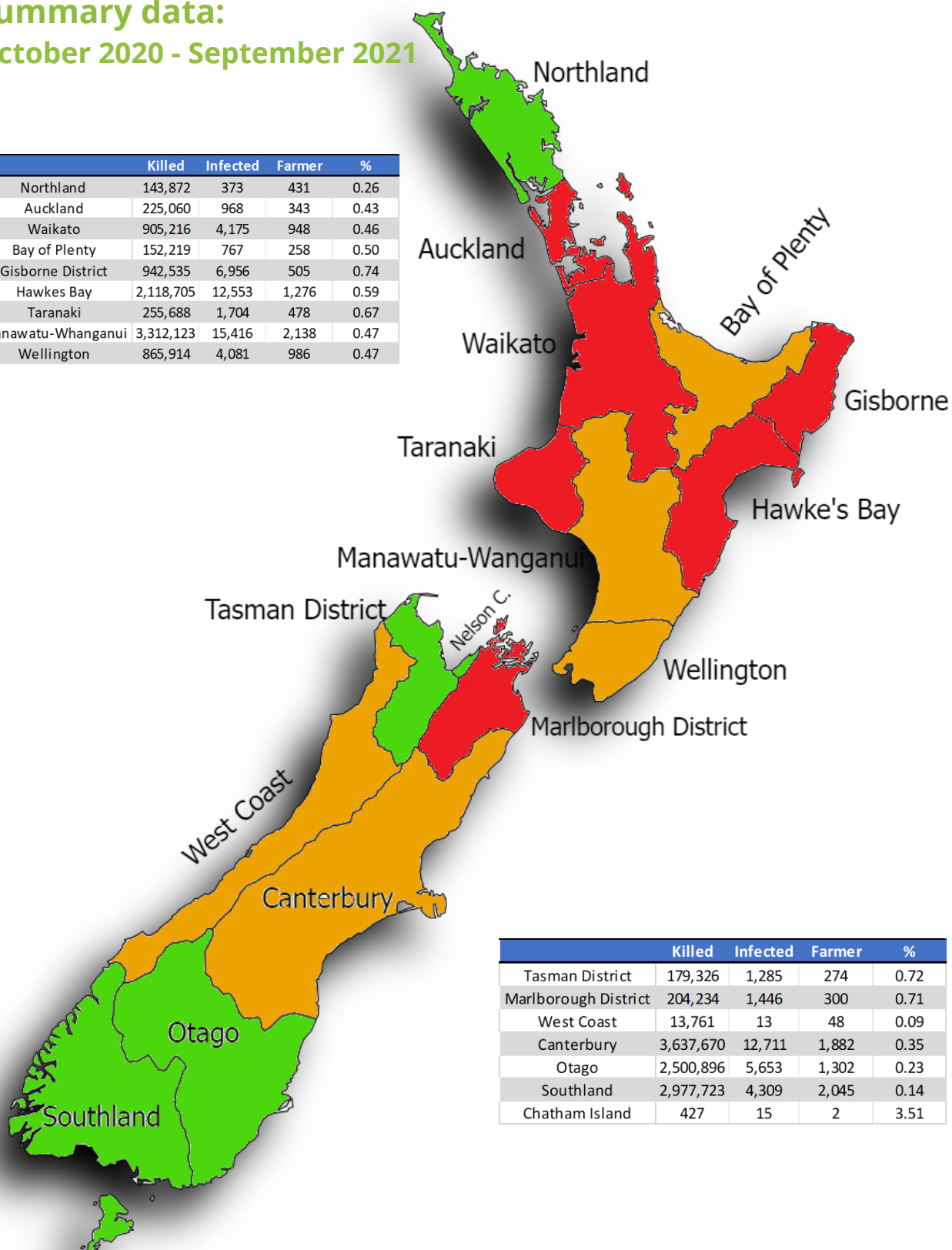
OML contacted 933 high prevalence suppliers during 2020-21. Of these, 656 were from the North Island and 273 from the South Island.

This figure is 6% up on 2019-20, which totalled 873.



Summary data: October 2020 - September 2021

	Killed	Infected	Farmer	%
Northland	143,872	373	431	0.26
Auckland	225,060	968	343	0.43
Waikato	905,216	4,175	948	0.46
Bay of Plenty	152,219	767	258	0.50
Gisborne District	942,535	6,956	505	0.74
Hawkes Bay	2,118,705	12,553	1,276	0.59
Taranaki	255,688	1,704	478	0.67
Manawatu-Wanganui	3,312,123	15,416	2,138	0.47
Wellington	865,914	4,081	986	0.47



	Killed	Infected	Farmer	%
Tasman District	179,326	1,285	274	0.72
Marlborough District	204,234	1,446	300	0.71
West Coast	13,761	13	48	0.09
Canterbury	3,637,670	12,711	1,882	0.35
Otago	2,500,896	5,653	1,302	0.23
Southland	2,977,723	4,309	2,045	0.14
Chatham Island	427	15	2	3.51



High level messaging

Our principal target audience is:

- Farmers
- Small block holders/Lifestylers
- Dog owners
- Hunters and fishers

To reach this audience we need to collaborate with our partners, stakeholders, the veterinary industry, Government departments and educational institutions.

We also need to increase our digital audience by identifying key influencers.

Public events

OML attends a multitude of public events including, Gisborne Show, Central Districts Field Days, Canterbury Agricultural Show, East Coast Farming Expo and the Wairarapa Show.

Covid-19, and its variants, impacted the ability to attend many of these events during 2021-22.

These events allow open discussion around awareness and information. They are an integral part of the OML program.

Farm visits

Farm visits to properties identified as having high prevalence ensures that we can discuss and identify the issue. During our 3-month transition, Dan and I visited 86 properties.

Processor partners

Currently, sheep measles data is being supplied to OML by 33 lamb processing plants.

Plant feedback is given monthly and covers all aspects of plant prevalence, updates and data capture rates.

The company and meat inspector monthly contacts to OML are appreciated. The work that they put into the program is vital and we would not be able to do it without them.

DeerPro Database

Project Manager, Solis Norton, has been a very supportive contact and the ongoing relationship between OML and DeerPro continues.

Ovis Management Database: The Numbers

For the October 2020-September 2021 season the OML database received line by line data from 33 sites which processed 18,435,369 lambs from 13,216 suppliers with 72,425 lambs being infected.

	No. of suppliers	No. of lambs processed
2020/2021	13,216	18,435,369
2019/2020	13,701	18,971,276
2018/2019	13,395	18,743,907
2017/2018	14,244	19,830,352
2016/2017	14,252	19,250,739
2015/2016	15,365	19,968,452

>100 lambs	>1,000 lambs	>5,000 lambs
4,288	3,769	665

Table showing number of lambs processed by supplier

3,184 suppliers were eligible for high prevalence status, that is, processing greater than 50 lambs with more than three infected.

	No. of suppliers with high prevalence
2020/2021	3,184
2019/2020	3,492
2018/2019	3,510
2017/2018	3,981
2016/2017	4,119
2015/2016	4,466

Whilst the number of suppliers with high prevalence is trending downward, so are the total number of farmers supplying lambs and the number of lambs being processed.

Lamb ovis prevalence 2020-2021 season

The October 2020 to September 2021 prevalence was 0.44%, slightly down on the previous season which was 0.48%.

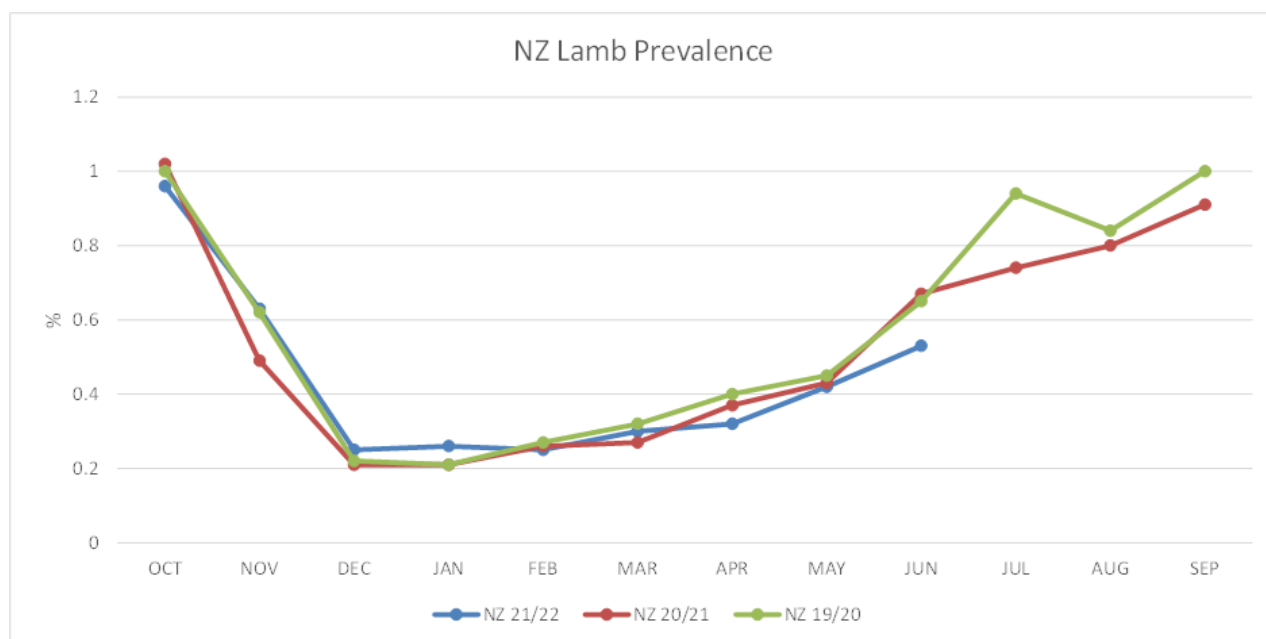
The prevalence figure is derived from meat inspection and processor summary data across our Partner plants.

For the current season, October 2021 to June 2022, prevalence is tracking at 0.42%.

The North Island is sitting at 0.70% and the South Island at 0.33%.

The regions of prevalence above the current national average are:

- Auckland
- Waikato
- Bay of Plenty
- Gisborne District
- Hawkes Bay
- Taranaki
- Manawatu/Whanganui
- Wellington
- Tasman District
- Marlborough District





ANNUAL REPORT SPECIAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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DIRECTORY

For the year ended 30 June 2022

PRINCIPAL BUSINESS: The main activity of the company is to maintain awareness of and promote control of *Cysticercus ovis*.

DIRECTORS: A. Morrison
R. Barton
G. McSkimming
S. Karapeeva

PROJECT MANAGER: M. Simpson

IRD NUMBER: 50-642-291

REGISTERED OFFICE: Level 5, Wellington Chambers,
154 Featherston Street, WELLINGTON

SOLICITORS: Burrowes & Company
24 Johnston Street, WELLINGTON

BANKERS: Bank of New Zealand
222 Lambton Quay, WELLINGTON

AUDITORS: KPMG
10 Customhouse Quay, WELLINGTON

SHAREHOLDER: Meat Industry Association of New Zealand (Inc)



DIRECTORS' REPORT

For the year ended 30 June 2022

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 2022.

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 24th August 2022.

Director



Date: 24 August 2022

Director



Date: 24 August 2022



STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Operating revenue		330,770	351,470
Operating expenditure	1	351,613	332,582
Operating surplus/(deficit) before other income		(20,843)	18,888
Other income		8,070	-
Operating surplus/(deficit) before financing income		(12,773)	18,888
Financial income		182	142
Financial expenses		-	-
Net financing income	2	182	142
Operating surplus/(deficit) before tax		(12,591)	19,030
Income tax expense/(benefit)	3	-	-
Net surplus/(deficit) for the year		(12,591)	19,030
Other comprehensive income			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		(12,591)	19,030

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	2022 \$	2021 \$
Opening balance	360,582	341,552
Total comprehensive income for the year	(12,591)	19,030
Closing balance	347,991	360,582



BALANCE SHEET

as at 30 June 2022

	Note	2022 \$	2021 \$
Equity			
Issued and paid up capital			
2 ordinary shares of \$1 each		2	2
Uncalled capital		(2)	(2)
Retained earnings		347,991	360,582
Total equity		347,991	360,582
<i>Represented by:</i>			
Current assets			
Cash and cash equivalents	4	335,224	387,700
Trade and other receivables	5	27,568	28,364
Total current assets		362,792	416,064
Current liabilities			
Trade and other payables	6	46,467	32,348
Employee benefits	7	5,833	39,513
Total current liabilities		52,300	71,861
Working capital		310,492	344,203
Non current assets			
Property, plant and equipment	8	37,499	16,379
Software	9	-	-
Total non-current assets		37,499	16,379
Net assets		347,991	360,582



NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

(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 2022. The special purpose financial statements were authorised for issue by the directors on the 24 August 2022.

(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 vehicle 21%
- 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

a. Revenue represents amounts received and receivable from meat companies paid on a 1.5 cents basis for each sheep, lamb or goat processed.

b. 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.

c. Net financing income comprises of interest received on call deposits and is recognised in the 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.



NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2022

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.



1	Operating expenditure	2022 \$	2021 \$
	Audit remuneration	6,660	6,000
	Tax services	1,400	1,000
	Depreciation	8,959	9,193
	Director's fees - Chairman	20,000	18,000
	Personnel expenses	172,115	147,495
	Other operating expenses	142,479	150,894
	Total operating expenses	351,613	332,582

2	Net financing income	2022 \$	2021 \$
	Interest revenue	182	142
	Interest expense	-	-
	Net financing income	182	142

3	Taxation	2022 \$	2021 \$
	Reconciliation of effective tax rate		
	Operating surplus/(deficit) before tax	(12,591)	19,030
	Income tax using Company tax rate 28%	(3,525)	5,328
	Non-assessable income/non-deductible expenses at company rate	(9,462)	1,485
	Losses provided to/from parent	-	(6,814)
	Losses bought forward and utilised at company tax rate	-	-
	Tax @ company tax rate	(12,988)	-
	Prior year adjustment	-	-
	Tax benefit of losses not recognised	12,988	-
	Income tax expense/(benefit) per income statement	-	-



The Company and its parent has \$540,038 of tax losses to carry forward (2021: \$539,831), 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.

Imputation credit memorandum account	2022	2021
	\$	\$
Balance at beginning of year	199,378	197,500
Income tax paid/(refund)	(40)	(70)
Prior year adjustment	8	1,908
RWT on interest received	51	40
Balance at end of year	199,397	199,378

4 Cash and cash equivalents	2022	2021
	\$	\$
Bank balances	107,159	113,711
Call deposits	228,065	273,989
Balance as at 30 June	335,224	387,700

5 Trade and other receivables	2022	2021
	\$	\$
Trade receivables	27,517	27,628
RWT Receivable	51	40
Other Receivables and Prepayments	-	696
Balance as at 30 June	27,568	28,364
Impairment loss deducted	-	-



6 Trade and other payables	2022	2021
	\$	\$
Trade payables	28,979	28,855
GST payable	2,562	-
PAYE payable	14,926	3,493
Balance as at 30 June	46,467	32,348

7 Employee benefits	2022	2021
	\$	\$
Liability for Annual Leave	5,833	5,879
Liability for Retirement Leave	-	33,634
Balance as at 30 June	5,833	39,513

8 Property, plant and equipment	2022	2021
	\$	\$
Furniture and fittings		
At cost	-	775
Accumulated depreciation	-	775
	-	-
Current year depreciation	-	-
Motor vehicles		
At cost	40,506	37,540
Accumulated depreciation	7,089	24,306
	33,417	13,234
Current year depreciation	7,089	7,883
Computer hardware		
At cost	11,653	16,739
Accumulated depreciation	9,875	16,739
	1,778	-
Current year depreciation	1,029	469



Office equipment	2022	2021
	\$	\$
At cost	66,339	69,753
Accumulated depreciation	64,035	66,607
	2,304	3,146
Current year depreciation	841	841

Total property, plant and equipment

At cost	118,498	124,807
Accumulated depreciation	80,999	108,427
	37,499	16,380
Current year depreciation	8,959	9,193

There is no impairment loss recognised during the year (2021:nil)

9 Intangible Assets	2022	2021
	\$	\$
Software		
At cost	6,995	6,995
Accumulated Amortisation	6,995	6,995
	-	-
Current year amortisation	-	2,332

There is no impairment loss recognised during the year (2021:nil)

10 Capital commitments

There are no capital commitments outstanding as at balance date (2021:nil)

11 Contingent liabilities

There are no contingent liabilities outstanding as at balance date (2021: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 administration services.

(ii) *Related party transactions*

Ovis Management Limited pays service fees of \$20,000 (2021: \$20,000) to Meat Industry Association of New Zealand (Inc) for administration services provided. As at year end, Ovis Management Limited had \$nil (2021: \$nil) 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 2022, 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 2022, Ovis Management received \$81,922 (2021: \$71,411) from a company related to one board member which was included in operating revenue and has recognised a receivable of \$5,866 (2021: \$2,736) from this company.

Ovis Management Limited tax losses are available for use by its parent, Meat Industry Association. As at 30 June 2022 tax losses available to Meat Industry Association and its subsidiaries are \$540,038 (2021: \$539,831).

(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 (2021: 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 special purpose financial statements of Ovis Management Limited (the company) on pages 17 to 25:

i. present, in all material respects the company's financial position as at 30 June 2022 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 2022;
- the statements of comprehensive income and changes in equity for the year then ended; and
- notes, including a summary of significant accounting policies.



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 entity'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.



Use of this independent auditor's report

This independent auditor's report is made solely to the shareholder as a body. Our audit work has been undertaken so that we might state to the shareholder 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 shareholder as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



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 to do so.
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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.



