



**PROMOTE PROTECT PARTICIPATE**



# ANNUAL REPORT 2023





## INDEX

Notice of Annual General Meeting .....	2
Directory .....	3
Register of Interest .....	4
Chairman's Report .....	7
Project Manager's Report .....	9
Annual Report/Financial Statements .....	16

### 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 Wednesday 6th September 2023, in the Wairarapa Room, Level 7, Chartered Accountants House, 50 Customhouse Quay, Wellington. The AGM will commence at 11:00am.

## AGENDA

1. To approve the minutes of the 2022 Annual General Meeting.
2. To receive and consider the Directors Report, Auditors Report and Accounts for the year ended 30 June 2023.
3. The appointment of Auditors for the forthcoming year.
4. General business.

M. Simpson  
Secretary  
HALCOMBE

20th August 2023



## DIRECTORY

<b>CHAIRMAN:</b>	RT Barton Woodside RD1, GREYTOWN 5794
<b>DIRECTORS:</b>	SB Karapeeva 108 Buckley Road, Southgate, WELLINGTON 6023  GB McSkimming 16 Hoylake Street, OUTRAM 9019  AD Morrison RD5, GORE 9775
<b>ASSOCIATE DIRECTOR:</b>	J Griffin 1040c Rangiotu Road, PALMERSTON NORTH 4477
<b>SECRETARY:</b>	MM Simpson 29 Vogel Street RD9, FEILDING 4779
<b>REGISTERED OFFICE:</b>	Level 5, Wellington Chambers, 154 Featherston Street, WELLINGTON
<b>SOLICITORS:</b>	Burrowes & Company 24 Johnston Street, WELLINGTON
<b>BANKERS:</b>	Bank of New Zealand 222 Lambton Quay, WELLINGTON
<b>AUDITORS:</b>	KPMG 44 Bowen Street, WELLINGTON
<b>PROJECT MANAGER:</b>	MM Simpson 29 Vogel Street RD9, FEILDING 4779



## REGISTER OF INTERESTS

For the year ended 30 June 2023

DIRECTOR	INTEREST
----------	----------

**ROGER  
BARTON**

**Director and Chairman of:**

- Ovis Management Limited

**Director and Shareholder of:**

- RT Barton Ltd, Tauanui Farm and Waipehi Lodge Ltd

**Shareholder of:**

- Farmlands Ltd
- Ballance Agri Nutrients Ltd
- Lean Meats Ltd/Heavy Lambs Trust
- Wools of NZ Ltd
- Ngaringa Ltd

**SIRMA  
KARAPEEVA**

**Director of:**

- Ovis Management Limited

**Officer of:**

- Meat Industry Association - Chief Executive

**Member of:**

- 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 2023

DIRECTOR	INTEREST
----------	----------

**ANDREW  
MORRISON**

**Director of:**

- Ovis Management Limited
- Ballance Agri Nutrients Ltd
- Glenroy Morrison Ltd
- Pastoral Greenhouse Gas Research Ltd
- Wool Research Organisation of NZ Ltd

**Shareholder of:**

- Farmlands Ltd
- Ballance Agri Nutrients Ltd
- Alliance Group Ltd

---

**GREG  
MCSKIMMING**

**Director of:**

- Ovis Management Limited
- Meat the Need

**Shareholder of:**

- Silver Fern Farms Ltd
- BK & V McSkimming Family Farms

**Officer of:**

- NZ Farm Assurance Incorporated
- Outram Charitable Trust





## CHAIRMAN'S REPORT 2023

On behalf of the board and management I am pleased to present my chairmans report for the 2022/23 year.

In general, the sheep industry is striking some head winds. A mix of carbon farming and decreased returns is forcing a further decline in the numbers representing our national flock. The performance of the wool industry certainly isn't helping our predicament and there is quite a push towards sheep with nil or minimal wool to reduce the cost structure around shearing and labour inputs overall.

However, OML's role in ensuring that sheep meat quality meets consumer expectation remains front of mind. In many regards it has been an exciting year. Michelle Simpson, our Project Manager, has had her first full year in the role since her transition into it alongside long-standing PM Dan Lynch.

Michelle has had a great first year in establishing her extended network of allies and associates. Our core job of education remains unchanged and our primary means of achieving this by accumulating data and then dispersing information is pretty much in line with our past mode of operation. We continue to hope that the good work of the NZFAP roll out will enhance both knowledge and action giving weight to our strap line of "Protect, Promote, Participate."

While in the previous year we had disruptions with Covid19 this last year has seen some serious processing disruption from the weather event of Cyclone Gabrielle and subsequent high rainfall events which

have damaged roading and associated infrastructure. The Gisborne and Wairoa processors have had some very real challenges alongside the farming communities around them. We had feared that the disruption to farming infrastructure and subsequent loss of some livestock might have exacerbated Ovis infection in the affected regions but to date this has not been an issue. In fact at this stage Gisborne seems to have had a decline in incidence which went well against our instincts. It goes to show that data is king not just sentiment.

Can I thank all of the contributing companies and processors for their ongoing commitment to the programme. As always our work is predicated on gathering accurate and relevant information and working with high prevalence suppliers in the first instance.

There is no surprise that lamb traders tend to have the highest prevalence of C. Ovis in their kill sheets, especially in later season lambs. What is disappointing is the relatively relaxed attitude over the issue and that a trader can't do much about it. It would be useful if lamb finishers raised the spectre of supplying quality lamb, fit for market requirements, higher up the list of imperatives in their business.

It would be a real success if more traders asked about on farm management actions and or risks which might affect the value of store lambs they are about to purchase. I won't hold my breath too long on that one but there is no doubt that lambs that get condemned are a



cost against the whole industry and particularly the supplier.

Current prevalence sits on .44%. The dial seems to be a little stubborn to shift at the moment despite the monitoring and effort.

With Covid19 well behind us we are now able to have a more active front in amongst the public with shows and events in regions that matter. Plus on farm follow up where needed. Where any on farm changes are instituted, it can be very exciting for both the farmer and ourselves to see prevalence reduce markedly and stay down. Proof that improvements can be made and not necessarily just in isolated cases.

My thanks again to Michelle for her ongoing commitment and enthusiasm as Project Manager. Your strong veterinary background and great people skills are a real attribute in this job.

To my board of Andrew Morrison (Producer rep), Greg McSkimming (Processor rep) and Sirma Karapeeva (MIA) plus our associate director Jason Griffin my heartfelt thanks. It's been great to have a stable and committed team with a wide-ranging skill set.

Greg in particular has been wonderful support to Michelle in enhancing the business of data collection. This is the starting point of our whole work programme.

Also, in the back rooms quietly looking after the business we have Michael Pran in charge of finances and Christopher Guy attending to legal issues as they arise. Thank you both for your contributions.

This will be the last chairman's report from me. It has been both a privilege and a pleasure to work with a lot of very good people in my chosen industry. Thank you.



Roger Barton  
Chairman  
Ovis Management Limited



## PROJECT MANAGER'S REPORT

Ovis Management Ltd (OML) is responsible for controlling sheep measles by working with farmers and processors to maintain awareness and promote control.

All dog owners can contribute to the issue and are encouraged to dose their dogs monthly if residing or travelling near sheep farms.

Funding is by way of a monthly contribution of 0.015 cents per lamb, sheep and goat processed.

I would like to thank the meat companies and Asurequality for continuing to provide quality data.

### Challenges:

There are a number of factors affecting the success of the program. The expected decline in sheep numbers will mitigate some risk of infection, however this affects the financial capacity to achieve the desired outcomes.

Land use is changing to allow for the development of urban areas, stock type is shifting and forestry is increasing. While some of these issues may not directly affect the programme, we should still be cautious.

The ever increasing demand on farmers to meet environmental and political regulations, along with the increase in the cost of living and farm expenses, may lead to catastrophic outcomes for sheep measles, due to farmers being fed up with meeting compliance, and the additional cost of purchasing regular worming tablets.

However, prevalence is currently 0.44%, which suggests that sheep farmers are still committed to maintaining on-farm control.

Increasing weather events have affected the ability to visit some regions, such as Gisborne and Wairoa. Cyclone Gabrielle caused devastation to farm and road infrastructure, livestock losses, misplacement of people, resource depletion, spread zoonotic diseases and increased mental health concerns. Some people have yet to resume their regular lives.

The use of industry collaboration and marketing is key to achieving nationwide messaging. The vision of the sheep measles prevention programme has been expanded to include primary industry teaching institutions.

By engaging in traditional and digital methods, we can target specific audiences. Advertisements are placed in the "More Pork" magazine targeting pig hunters and the Shearing Magazine. We are regular supporters of the New Zealand Sheep Dog Trial Association and are thankful for their input in ensuring the protection of farmers land and businesses.

Social media platforms are used to promote awareness. We are able to collaborate with other audiences such as Hunting HQ, Hunting and Fishing NZ, the Department of Conservation, the Deer Stalkers Association, Motorhoming NZ and regional pages, at minimal cost.

The New Zealand Farm Assurance Programme remains a crucial tool for sheep measles prevention. Farmers belonging to the NZFAP are required to have an active on-farm sheep



## PROJECT MANAGER'S REPORT

measles programme and need to satisfy to auditors that they meet 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 and why they should have a prevention plan in place.

Finally, I would like to extend my gratitude to Roger Barton, who is stepping down as Chairman. It would have been very challenging transitioning from Dan to myself without your assistance, expertise and practical skills. Change can be daunting, and you have supported me wholeheartedly and given me the opportunity to grow within the role. I am so very thankful to have had you as my Chairman.

I would also like to acknowledge Barbie Barton who is a guiding light in the background of this incredible industry and the OML Board members.



Michelle Simpson  
Project Manager



## Program Activity

The sheep measles prevention program remains the same in terms of the message we need to get across and the method for prevention.

### High Prevalence reports:

These notifications are intended to motivate suppliers to reconsider their on-farm control strategy if their prevalence suggests the existence of a sheep measles infected dog. It is recommended that they work with their veterinarian.

These notifications have been running for several years and they provide an opportunity for discussion at the individual farm level.

### 2022-2023 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.

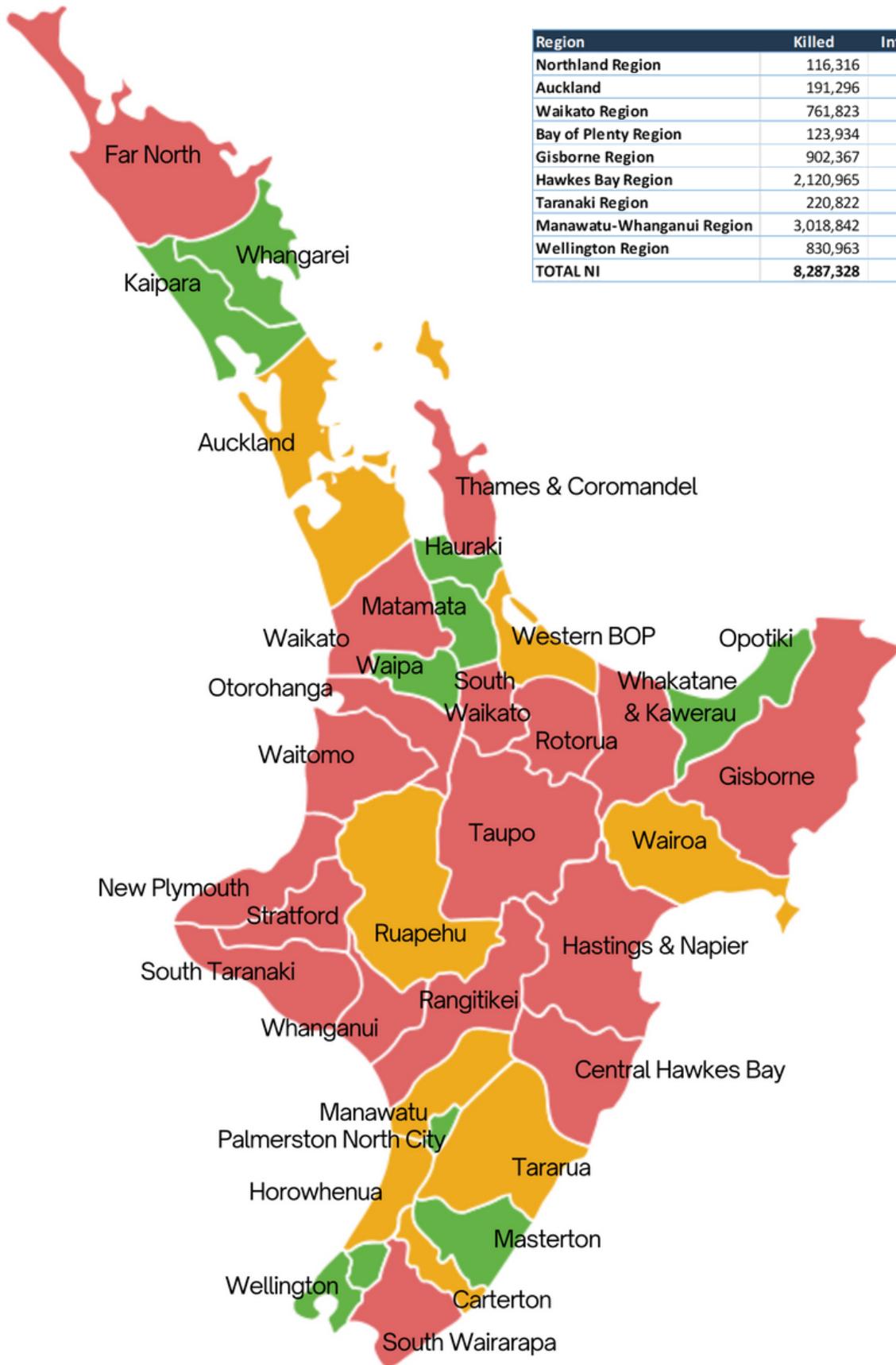
Three splits in the number of lambs processed are made to meet criteria:

- 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	11	3.31
Auckland	6	3.02
Bay of Plenty	13	3.73
Waikato	42	3.74
Gisborne	29	2.89
Hawkes Bay	32	3.49
Taranaki	26	3.19
Manawatu/Whanganui	78	3.33
Wellington	22	3.29
Tasman	2	3.29
Marlborough	12	7.91
West Coast	0	0.00
Canterbury	72	3.51
Otago	37	2.42
Southland	22	1.84
Chatham Islands	0	0.00

## Summary data: 1 October 2022 - 31 July 2023

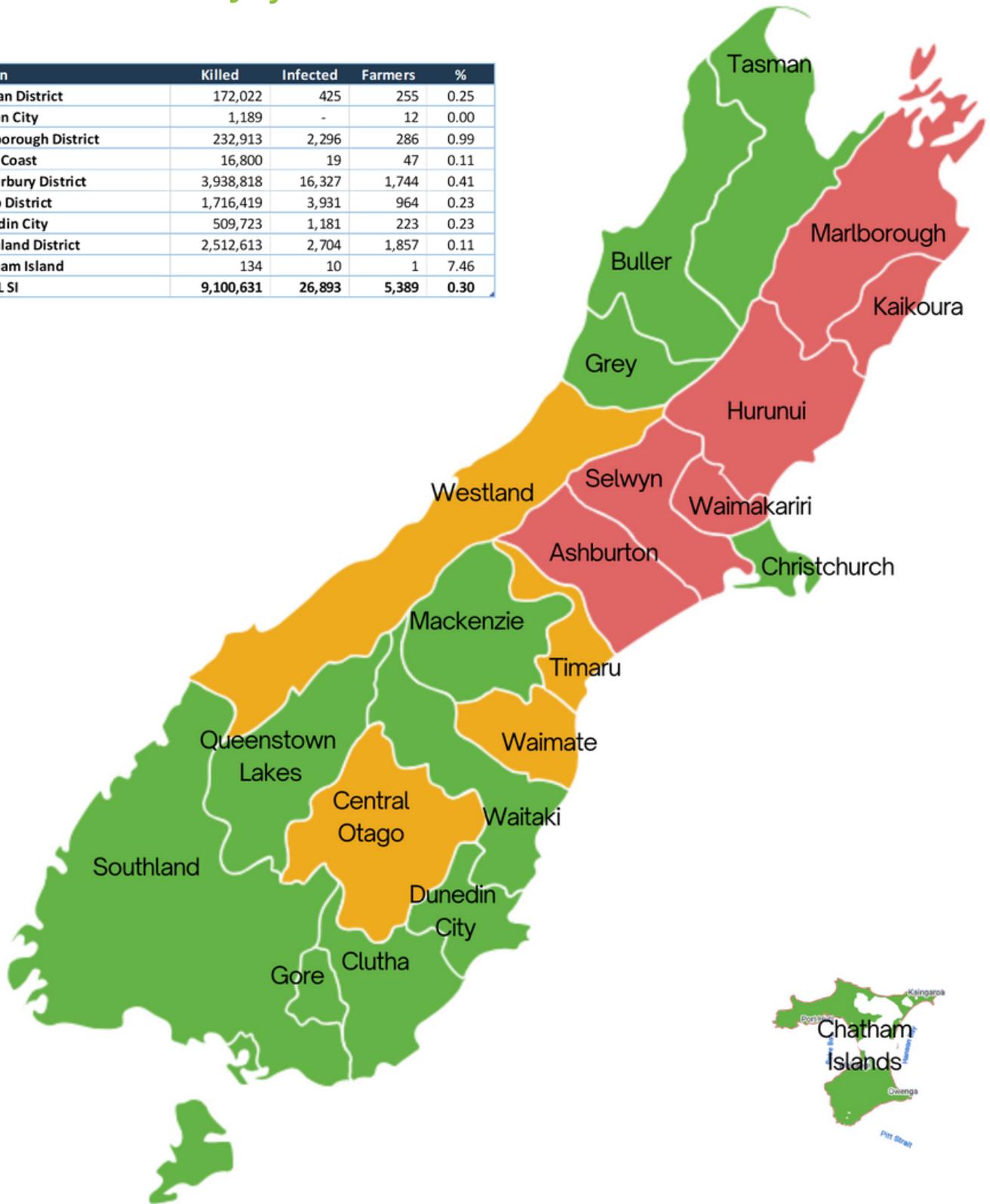


Region	Killed	Infected	Farmers	%
Northland Region	116,316	362	367	0.31
Auckland	191,296	1,274	283	0.67
Waikato Region	761,823	4,559	897	0.60
Bay of Plenty Region	123,934	959	241	0.77
Gisborne Region	902,367	8,181	483	0.91
Hawkes Bay Region	2,120,965	12,493	1,211	0.59
Taranaki Region	220,822	1,450	455	0.66
Manawatu-Whanganui Region	3,018,842	15,222	2,136	0.50
Wellington Region	830,963	3,774	814	0.45
<b>TOTAL NI</b>	<b>8,287,328</b>	<b>48,274</b>	<b>6,887</b>	<b>0.58</b>



## Summary data: 1 October 2022 - 31 July 2023

Region	Killed	Infected	Farmers	%
Tasman District	172,022	425	255	0.25
Nelson City	1,189	-	12	0.00
Marlborough District	232,913	2,296	286	0.99
West Coast	16,800	19	47	0.11
Canterbury District	3,938,818	16,327	1,744	0.41
Otago District	1,716,419	3,931	964	0.23
Dunedin City	509,723	1,181	223	0.23
Southland District	2,512,613	2,704	1,857	0.11
Chatham Island	134	10	1	7.46
<b>TOTAL SI</b>	<b>9,100,631</b>	<b>26,893</b>	<b>5,389</b>	<b>0.30</b>



**The OML strategy aims to generate a nationwide conversation amongst target groups, reiterating the importance of action on the part of the farmers, the value of having a plan in place and the role that all dog owners should play.**

**This is achieved by regular farm and meat company visits, field days and shows, traditional and digital media, collaboration with the rural and veterinary sector, leveraging partners and stakeholders, working with government agencies, tailored communications to various target groups, and providing numerous resources.**

**A key goal is reinforcing the idea that OML is a partner supporting farmers in the fight against sheep measles. Every New Zealand farmer should understand the importance of taking the proper action to prevent sheep measles from having an impact on their farming business.**

**There are challenges. Some farmers and dog owners do not recognise the importance of preventing sheep measles and for the programme to be a success, there needs to be a change in mindset.**

**Farmers and dog owners are encouraged to visit the OML website, utilise the available resources and get in touch with OML for support.**

>100 lambs	>1,000 lambs	>5,000 lambs
8,093	3,572	613

*Table showing number of lambs processed by supplier*

### **DeerPro Database**

Solis Norton resigned as Project Manager for DeerPro earlier this year. Kathy Goodwin-Rae has taken the role and the focus is on Johnes Disease Management. The database is going to the Cloud which will make access to data easier and quicker.

### **Ovis Management Database: The Numbers**

For the October 2021 - September 2022 season the OML database received line by line data from 33 sites from 12,277 suppliers. 75,167 were reported infected out of 17,387,989 processed.

	No. of suppliers	No. of lambs processed
<b>2021/2022</b>	<b>12,278</b>	<b>17,387,989</b>
<b>2020/2021</b>	13,216	18,435,369
<b>2019/2020</b>	13,701	18,971,276
<b>2018/2019</b>	13,395	18,743,907
<b>2017/2018</b>	14,244	19,830,352
<b>2016/2017</b>	14,252	19,250,739



3,152 suppliers were eligible for high prevalence status, that is, processing greater than 50 lambs with more than three infected.

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.

	No. of suppliers with high prevalence
<b>2021/2022</b>	<b>3,152</b>
<b>2020/2021</b>	3,184
<b>2019/2020</b>	3,492
<b>2018/2019</b>	3,510
<b>2017/2018</b>	3,981
<b>2016/2017</b>	4,119

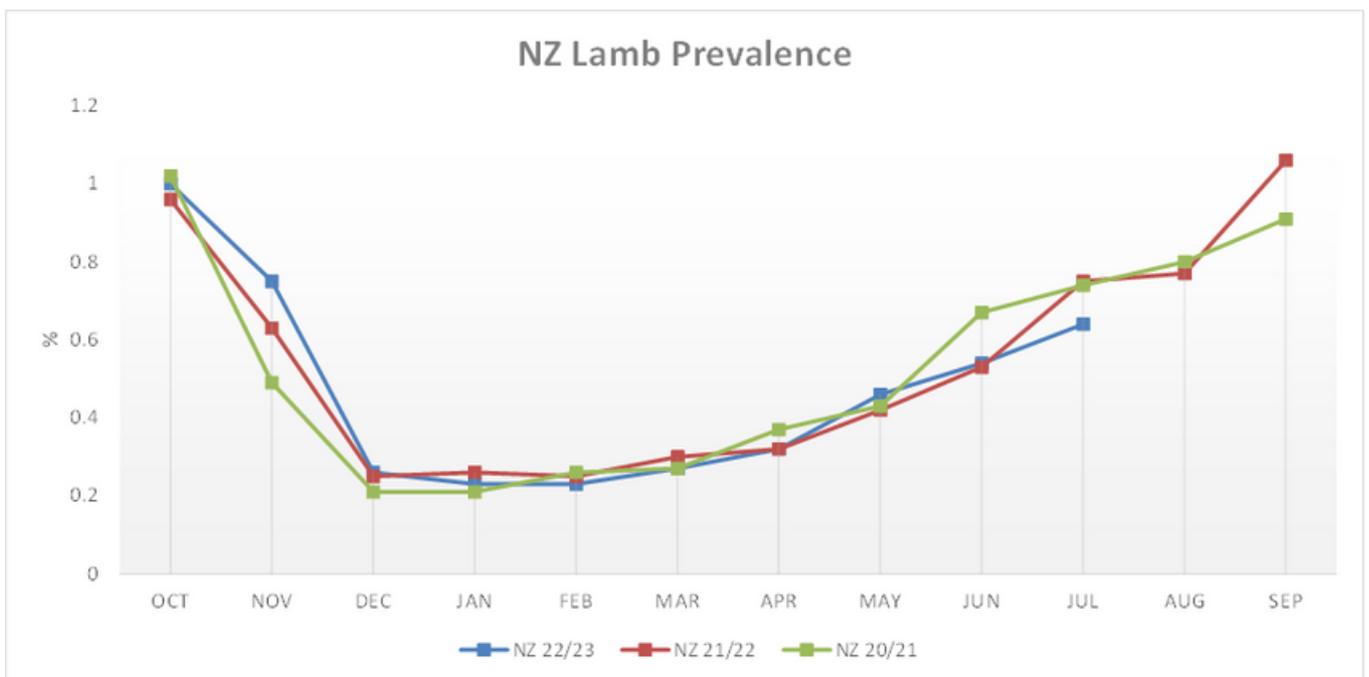
**Lamb ovis prevalence 2020-2021 season**

The October 2021 to September 2022 prevalence was 0.48%, slightly up on the previous season which was 0.44%.

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

For the current season, October 2022 to July 2023, prevalence is tracking at 0.44%.

The North Island is sitting at 0.58% and the South Island at 0.31%.





# ANNUAL REPORT

## SPECIAL PURPOSE FINANCIAL STATEMENTS

*For the year ended 30 June 2023*

### CONTENTS

Directory .....	17
Director's Report.....	18
Statement of Comprehensive Income .....	19
Statement of Changes in Equity .....	19
Balance Sheet .....	20
Notes To The Special Purpose Financial Statements .....	22
Auditor's Report .....	29



# DIRECTORY

*For the year ended 30 June 2023*

**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:**  
Wellington Chambers,  
154 Featherston Street  
WELLINGTON

**AUDITORS:**  
KPMG  
44 Bowen Street  
WELLINGTON

**SOLICITORS:**  
Burrowes & Company  
24 Johnston Street  
WELLINGTON

**BANKER**  
Bank of New Zealand  
222 Lampton Quay  
WELLINGTON

**SHAREHOLDER:** Meat Industry Association of New Zealand (Inc)

# DIRECTORS' REPORT

*For the year ended 30 June 2023*

## 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 2023.

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 4th September 2023.

Director

  
\_\_\_\_\_

Date

**4th September 2023**

Director

  
\_\_\_\_\_

Date

**4th September 2023**



## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Operating revenue		329,273	330,770
Operating expenditure	1	315,289	351,613
<b>Operating surplus/(deficit) before other income</b>		<b>13,984</b>	<b>(20,843)</b>
Other income		-	8,070
<b>Operating surplus/(deficit) before financing income</b>		<b>13,984</b>	<b>(12,773)</b>
Financial income		3,357	182
Financial expenses		-	-
<b>Net financing income</b>	2	<b>3,357</b>	<b>182</b>
<b>Operating surplus/(deficit) before tax</b>		<b>17,341</b>	<b>(12,591)</b>
Income tax expense/(benefit)	3	-	-
<b>Net surplus/(deficit) for the year</b>		<b>17,341</b>	<b>(12,591)</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>17,341</b>	<b>(12,591)</b>

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	2023 \$	2022 \$
<b>Opening balance</b>	347,991	360,582
Total comprehensive income for the year	17,341	(12,591)
<b>Closing balance</b>	<b>365,332</b>	<b>347,991</b>

# BALANCE SHEET

as at 30 June 2023

	Note	2023 \$	2022 \$
<b>Equity</b>			
<b>Issued and paid up capital</b>			
2 ordinary shares of \$1 each		2	2
Uncalled capital		(2)	(2)
Retained earnings		365,332	347,991
<b>Total equity</b>		<b>365,332</b>	<b>347,991</b>
<i>Represented by:</i>			
<b>Current assets</b>			
Cash and cash equivalents	4	354,784	335,224
Trade and other receivables	5	25,569	27,568
<b>Total current assets</b>		<b>380,353</b>	<b>362,792</b>
<b>Current liabilities</b>			
Trade and other payables	6	36,419	46,467
Employee benefits	7	6,558	5,833
<b>Total current liabilities</b>		<b>42,977</b>	<b>52,300</b>
<b>Working capital</b>		<b>337,376</b>	<b>310,492</b>
<b>Non current assets</b>			
Property, plant and equipment	8	27,956	37,499
Software	9	-	-
<b>Total non-current assets</b>		<b>27,956</b>	<b>37,499</b>
<b>Net assets</b>		<b>365,332</b>	<b>347,991</b>



# NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

*For the year ended 30 June 2023*

## **(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 2023. The special purpose financial statements were authorised for issue by the directors on the 4th September 2023.

## **(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 (2022:1.5 cents) 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 2023*

## **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>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	Audit remuneration	6,600	6,660
	Tax services	1,690	1,400
	Depreciation	10,586	8,959
	Director's fees - Chairman	20,000	20,000
	Personnel expenses	114,300	172,115
	Other operating expenses	140,913	142,479
	<b>Total operating expenses</b>	<b>315,289</b>	<b>351,613</b>
<b>2</b>	<b>Net financing income</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	Interest revenue	3,357	182
	Interest expense	-	-
	<b>Net financing income</b>	<b>3,357</b>	<b>182</b>
<b>3</b>	<b>Taxation</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	<b>Reconciliation of effective tax rate</b>		
	Operating surplus/(deficit) before tax	17,341	(12,591)
	Income tax using Company tax rate 28%	4,855	(3,525)
	Non-assessable income/non-deductible expenses at company rate	203	(9,462)
	Losses provided to/from parent	-	-
	Losses bought forward and utilised at company tax rate	-	-
	Tax @ company tax rate	5,058	(12,988)
	Prior year adjustment	-	-
	Tax benefit of losses not recognised	(5,058)	12,988
	<b>Income tax expense/(benefit) per income statement</b>	<b>-</b>	<b>-</b>

The Company and its parent has \$500,797 of tax losses to carry forward (2022: \$540,038), 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>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Imputation credit memorandum account</b>		
Balance at beginning of year	199,397	199,378
Income tax paid/(refund)	(51)	(40)
Prior year adjustment	10	8
RWT on interest received	940	51
<b>Balance at end of year</b>	<b>200,295</b>	<b>199,397</b>
<b>4 Cash and cash equivalents</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Bank balances	124,302	107,159
Call deposits	230,482	228,065
<b>Balance as at 30 June</b>	<b>354,784</b>	<b>335,224</b>
<b>5 Trade and other receivables</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	24,629	27,517
RWT Receivable	940	51
Other Receivables and Prepayments	-	-
<b>Balance as at 30 June</b>	<b>25,569</b>	<b>27,568</b>
Impairment loss deducted	-	-



<b>6</b>	<b>Trade and other payables</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	Trade payables	30,439	28,979
	GST payable	2,860	2,562
	PAYE payable	3,120	14,926
	<b>Balance as at 30 June</b>	<b>36,419</b>	<b>46,467</b>
<b>7</b>	<b>Employee benefits</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	Liability for Annual Leave	6,558	5,833
	Liability for Retirement Leave	-	-
	<b>Balance as at 30 June</b>	<b>6,558</b>	<b>5,833</b>
<b>8</b>	<b>Property, plant and equipment</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	<b>Furniture and fittings</b>		
	At cost	-	-
	Accumulated depreciation	-	-
		<b>-</b>	<b>-</b>
	Current year depreciation	-	-
	<b>Motor vehicles</b>		
	At cost	40,506	40,506
	Accumulated depreciation	15,596	7,089
		<b>24,911</b>	<b>33,417</b>
	Current year depreciation	<b>8,506</b>	<b>7,089</b>
	<b>Computer hardware</b>		
	At cost	12,696	11,653
	Accumulated depreciation	11,311	9,875
		<b>1,385</b>	<b>1,778</b>
	Current year depreciation	1,436	1,029

<b>Office equipment</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>At cost</b>	66,339	66,339
Accumulated depreciation	64,679	64,035
	<b>1,660</b>	<b>2,304</b>
Current year depreciation	644	841

### **Total property, plant and equipment**

At cost	119,541	118,498
Accumulated depreciation	91,585	80,999
	<b>27,956</b>	<b>37,499</b>
Current year depreciation	10,586	8,959

There is no impairment loss recognised during the year (2022:nil)

<b>9 Intangible Assets</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Software</b>		
At cost	6,995	6,995
Accumulated Amortisation	6,995	6,995
	-	-
Current year amortisation	-	-

There is no impairment loss recognised during the year (2022:nil)

### **10 Capital commitments**

There are no capital commitments outstanding as at balance date (2022:nil)

### **11 Contingent liabilities**

There are no contingent liabilities outstanding as at balance date (2022: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 \$21,200 (2022: \$20,000) to Meat Industry Association of New Zealand (Inc) for administration services provided. As at year end, Ovis Management Limited had \$6,464 (2022: \$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 2023, 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 2023, Ovis Management received \$68,541 (2022: \$69,483) from a company related to one board member which was included in operating revenue and has recognised a receivable of \$4,454 (2022: \$5,113) from this company.

Ovis Management Limited tax losses are available for use by its parent, Meat Industry Association. As at 30 June 2023 tax losses available to Meat Industry Association and its subsidiaries are \$500,757 (2022: \$540,038).

**(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 (2022: 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 19 to 27:

- i. present, in all material respects the company's financial position as at 30 June 2023 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 2023;
- 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 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 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

6 September 2023

