



Annual Report 2018-2019

Members, Board and Committees

During the reporting period, APRIL had 15 Foundation Members and five Associate Members (Table 1). The Pork CRC, which previously was a member of APRIL, formally resigned as a member on 30 June 2019. The APRIL Board approved another category of membership in September 2019, being for a Supporting Member.

Table 1: APRIL Foundation and Associate Members.

Foundation Members	Associate Members
Australian Pork Limited	DSM Nutritional Products
Rivalea (Australia) P/L	Elanco Animal Health
SunPork Farms	Flinders University
Westpork P/L	Jefo Australia P/L
Windridge and Blantyre Farms	The University of New England
NZ Pork Industry Board	
Anatara Lifesciences Ltd.	
Apiam Animal Health	
Feedworks P/L	
Ridley	
SARDI	
The University of Melbourne	
The University of Adelaide	
The University of Queensland	
Murdoch University	

The APRIL Board comprised:

Dr Tony Peacock (Independent Chair)
Mr Andrew Spencer (APL) (resigned 1 August 2019; replaced by Ms Margo Andrae)
Ms Edwina Beveridge (APL)
Professor Robert van Barneveld (Sun Pork Farms)
Mr Neil Ferguson (Westpork Pty Ltd) (appointed 16 November 2018)
Professor John Pluske (Murdoch University) (resigned 16 November 2018)
Mr Kenton Shaw (Rivalea Australia)
Professor Wayne Hein (The University of Adelaide)

The retirement of Mr Dennis Mutton (30 June 2019) created a vacant (casual) Independent Director position, which was filled by Ms Su McCluskey. Ms McCluskey's position as an ongoing Director of APRIL will be ratified at the 2019 AGM.

The composition of the Board Committee and Advisory Committees during the reporting period are shown below:

Audit Committee

The Audit Committee comprised:

Ms Sandra DI Blasio (Independent Chair)
Mr Kenton Shaw
Dr Tony Peacock (replaced by Ms Su McCluskey; June 2019)
Professor John Pluske (*ex officio*)

Research and Development Advisory Committee

The Research and Development Advisory Committee comprised:

Dr Tony Peacock (Chair)
Dr Heather Channon (APL)
Dr Rob Smits (Rivalea (Australia))
Dr Darryl D'Souza (Sun Pork Farms)
Associate Professor Roy Kirkwood (SARDI)
Dr Hugo Dunlop (Apiam Animal Health)
Mr Chris Trengrove (NZ Pork Industry Board) (replaced by Dr Kirsty Chidgey; September 2019)
Dr David Cadogan (Feedworks)
Ms Andree Rowntree (Windridge and Blantyre Farms)
Dr Taya Clarke (Westpork)
Mr Rob Parkes (Ridley)
Dr Sam Abraham (Murdoch University) (appointed April 2019)
Dr Robyn Terry (SARDI)
Professor Frank Dunshea (The University of Melbourne)
Associate Professor Eugeni Roura (The University of Queensland)
Dr Jane Ryan (Anatara Lifesciences)
Professor John Pluske (APRIL)
Dr Charles Rikard-Bell (APRIL; Secretariat)

The Research and Development Advisory Committee met 6 September 2018 and 6-7 June 2019.

Education Advisory Committee

The Education Advisory Committee comprised:

Professor Frank Dunshea (Chair; The University of Melbourne)
Associate Professor Eugeni Roura (The University of Queensland)
Dr Heather Channon (APL)
Dr Rob Smits (Rivalea (Australia); retired November 2018)
Dr Darryl D'Souza (SunPork Farms; retired November 2018)
Professor Wayne Hein (appointed November 2018)
Dr Tony Peacock (appointed November 2018)
Professor John Pluske (APRIL)
Dr Charles Rikard-Bell (APRIL; Secretariat)

The Education Advisory Committee met 27 September 2018.

Summary of APRIL Activities

Staff

Professor John Pluske was appointed (part time) Chief Scientist / CEO of APRIL in September 2018, through an arrangement with Murdoch University. He will spend 60% of his time in the role and the remaining 40% involved in Murdoch University activities. APRIL thanks Dr Roger Campbell for his role as Acting CEO during the transition. With the cessation of activities of the Pork CRC, Dr Charles Rikard-Bell has been employed on a full-time basis with APRIL (seconded through Australian Pork Limited) as Manager, Commercialisation and Research Impact. Australian Pork Limited have continued to perform general administration activities on behalf of APRIL.

Strategic Plan

The APRIL Board approved a revised Strategic Plan in May 2019. The Strategic Plan defines the strategic directions for APRIL from 2019 until 2022. These directions pertain to key operational elements of the APRIL business as well as priority research, education and training, and commercialisation activities and initiatives. A key element of the Strategic Plan was the approval of four major streams of investment in research and development, as follows:

1. Transformational Projects.
2. Industry Priority Projects.
3. Innovation Projects.
4. Commercialisation Projects.

In September 2019, a major 'call' for projects in priority areas within the Transformational and Industry Priority Projects' portfolios were announced.

Research and Development, Education and Training, and Commercialisation Activities

The major research and development activities undertaken by APRIL during the reporting period are summarised as follows:

1. **Finalisation of Investment Round I projects:** APRIL's first investment round was approved in June 2018, with all contracts finalised and signed off in May 2019. A total of 15 projects recommended by the Research and Development Advisory Committee were supported by the APRIL Board (Table 2). Delays in the signing of Research Deeds and Project Details has caused the delay to a number of projects, especially those related to reproduction/seasonal infertility. The Australian Research Council (Linkage scheme), with The Universities of Melbourne and Queensland and APRIL, Rivalea (Australia) Pty Ltd and SunPork Farms as Partner Organisations, supported a grant worth ~ \$900,000, with about 50% of that coming from the Commonwealth.
2. **Pork CRC Projects (contracted through APRIL):** during the reporting period, a number of Pork CRC projects submitted Final Reports,
 - 2A-116: *Pre-farrowing health and welfare assessment of sows* (AGBU, UNE; PI Dr Kim Bunter).
 - 2A-119: *Development of a quantitative PCR test for swine dysentery* (Murdoch University; Dr Tom La).
 - 4A-110: *Integrated wastewater treatment plant (iWWTP) data collection* (Flinders University; PI Professor Howard Fallowfield).
 - 4B-128: *The use of 15N as a biomarker for feed conversion efficiency (FCE) in pigs using blood and hair samples* (The University of Melbourne; PI Dr Paul Cheng).
 - 4B-129: *Grain collection, storage and distribution, and data management for 4B subprogram projects* (The University of Sydney; PI Annette Tredrea).
 - 8C-113: *An assessment of an attenuated live streptomycin-dependent Actinobacillus pleuropneumoniae (APP) vaccine (serovar 15) delivered either intranasal or as a combination of intranasal and intramuscular injection* (Rivalea (Australia) Pty Ltd.; PI Dr Anke Woeckel).

Projects still underway / with Final Reports due are:

- 3B-114: *Development of a 'healthy pork' resource for use by consumers, health professionals and regulatory bodies: summary and dissemination of Pork CRC human nutrition research* (University of South Australia; PI Dr Karen Murphy).
- 4C-119: *Bio-upgrading piggery biogas by growing algae, for value-add end uses* (University of Queensland; PI Dr Paul Jensen).

Table 2: Summary of projects supported in APRIL's first investment round.

Priority	Project	Title	PI	APRIL Cash cost (\$) (Cash contribution)
Resilience	1287 A1-101	Novel approaches for reducing antimicrobial resistant and pathogenic Gram-negative bacteria in the porcine gut	Sam Abraham and Mark O'Dea (Murdoch University)	150,000 (131,000)
	1302 A1-102	Proof of concept: Oral Fluids and quantitative assessment for Porcine Chronic Respiratory Disease (PCRD) in Australian field conditions	Greg Tuckett (Rivalea)	50,000 (10,000)
	1312 A1-103	Improving enteric health, understanding impact on gut microbiome and weaner performance through the use of protease enzymes	Rob Hewitt/John Pluske (Sun Pork and Murdoch University)	80,000 (26,950)
	1346 A1-106	A lab on a chip for real time pain and animal welfare biomarker measurement.	Robyn Terry (SARDI; University of Adelaide)	150,000 (50,090)
	1333 A1-104	Developing remote monitoring methods for early detection of respiratory disease in pigs	Ellen Jongman (University of Melbourne)	39,143 (9,786)
	1342 A1-105	Early stress experiences and stress resilience and emotionality in pigs	Paul Hemsworth and Alan Tilbrook (Rivalea and SunPork)	ARC-Linkage 100,000 over 3 years
Cost	1343 A2-101	Protected vitamin and mineral premixes maintain performance of commercial pigs at reduced inclusion rates	Rob Hewitt (SunPork)	16,125 (5,375)
Return on assets				
Progeny	1241 A3A-101	Improved feed efficiency, control of P2 back fat and maintenance of pork quality in finishing pigs fed bitter extracts	Eugeni Roura (University of Queensland)	75,000 (40,000)
	1282 A3A-102	Review relationship between energy intake and protein deposition in 60-100 kg pigs with modern genetics using DXA scanner	Fan Liu (Rivalea)	39,700 (12,598)
	1331 A3A-103	Feeding a single diet to pigs in the grower/finisher stage to reduce feed costs and improve feed efficiency	Karen Moore (PIWA)	32,022 (11,157)

Reproduction	1270 A3B-101	Using GnRH analogues for fixed-time AI and pregnancy support to address seasonal infertility in sows	Sean O'Leary (University of Adelaide)	120,000 (31,671)
	1284 A3B-102	Nutritional supplementation to increase the number of pigs weaned and fertility of sows which farrow and are mated during summer / early autumn	William van Wettere (University of Adelaide)	37,000 (15,000)
	1297 A3B-103	Identifying reciprocal chromosomal translocations to reduce early embryo mortality	Darryl D'Souza (Sunpork)	52,300 (17,434)
	1317 A3B-104	Seasonal fertility: a novel approach to alleviating seasonal infertility in sows	Kate Plush (Sun Pork)	30,400 (7,600)
	1337 A3B-105	Effects of negative DCAD and vitamin D in transition diets to increase piglet weaning numbers, improve piglet weaning weight, and minimise sow condition loss during lactation	Alice Weaver and Robyn Terry (SARDIMyora Farms)	80,000 (27,500)

3. Innovation Projects (June 2019): on the recommendation of the Research and Development Advisory Committee, eight Innovation Projects with a value of ~ \$300,000 were supported by the APRIL Board in June 2019, as follows:

- *What sensory attributes are most critical for consumer evaluation within an Australian Pork eating quality program?* Professor Frank Dunshea, The University of Melbourne.
- *Real-time, in-field water testing.* Dr Louise Edwards, Ridley.
- *Low dose dietary strategies in late gestation to enhance born alive and piglet survival and performance.* Dr Jessica Craig, Rivalea (Australia) Pty Ltd.
- *Development of a Streptococcus suis vaccine via measurement of immune responses to four different Streptococcus suis vaccine preparations, using an Australian cps2 ST25 strain.* Dr Mark O'Dea, Murdoch University.
- *Oral means of increasing endogenous GH levels and enhancing the performance and carcass characteristics of growing pigs.* Dr Fan Liu, Rivalea (Australia) Pty Ltd.
- *Using algal extracts to improve weaner growth performance and digestibility.* Sarah Haberecht, Ridley.
- *Insect meal from pork processing derived material.* Dr Kristy DiGiacomo, The University of Melbourne.
- *Improved piglet performance as a result of a novel marine microbial additive.* Robert Hewitt, SunPork Farms.

4. Commercialisation Projects and Activities:

APRIL has continued with activities commenced in the Pork CRC, with currently project 8C-011 *The provision of a curative supplemental block provides enrichment, reduces mutilation and reduces the negative impact on production performance caused by tail and ear bite mutilations in growing pigs* (CHM Alliance P/L; PI Ms Tracy Muller), underway.

AusScan Online (through Aunir) remains a priority focus for APRIL not only because of the revenue it generates for the Company, but also because of the potential for global growth with the technology. Earlier this year, an agency in China (Ao Bo Laboratory) was established to further penetrate the Chinese market, but the devastating and widespread impacts of African Swine Fever in China have significantly reduced scanning. Growth into other countries, e.g., Vietnam, has also been curtailed. Other technologies and products such as Ridley Enrich, Piglet Buddy and the use of ractopamine in lactation remain in the marketplace. APRIL will need to continue to explore future commercialisation opportunities, so that revenue can continue to be reinvested to support APRIL's core activities.

5. Education and Training Activities: a number of Industry Placement Program (IPP) awards, funded through the Pork CRC but administered through APRIL, were completed in the reporting period, these being Dr Fan Liu (Rivalea (Australia) P/L), Dr Stephanie Nicholas (Portec Veterinary Services), Ms Haylee Clifford (Alltech Lienert), and Dr Alice Weaver (Myora Farms).

APRIL supported two IPP awards in February 2019 for Dr Jessica Craig and Ms Sofie Pridgeon, Rivlaea (Australia) Pty Ltd. And Wasleys Piggery, respectively. It is planned for APRIL to support an additional IPP awardee in early to mid 2020.

Financial Statements

APRIL's audited financial statements for fiscal year 2018-2019 have been finalised and approved by the Board. These include the Financial Statements, Independent Auditors Report and Statement of Independence. Collectively, the three files make a complete suite of Financial Statements (refer to accompanying document).

I would like to thank the APRIL Board and the staff of APRIL and APL, as well as the Pork CRC, for their collective commitment to making both the transition from the Pork CRC to APRIL work, and for supporting APRIL's ongoing strategies and investments in research and development, education and training, and commercialisation activities in the best interest of its stakeholders. I look forward to the next 12 months.

Dr Tony Peacock

Chair, Australasian Pork Research Institute Ltd.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

ABN 25 113 703 174

Annual Report - 30 June 2019

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

DIRECTOR'S REPORT 30 JUNE 2019

Directors' Report

Your Directors present their report, together with the financial statements for Australasian Pork Research Institute Limited, for the financial year ended 30 June 2019 and the auditor's report thereon.

The following persons were Directors of the Company during the financial year and are at the date of this report, except as otherwise stated:

APL-appointed Directors

Mr Andrew Spencer
B.AgSc. (Melb), GAICD
(resigned 1 August 2019)

Mr Spencer was CEO of Australian Pork Limited from July 2005 until July 2019.

Prior to 2005, Mr Spencer worked over a period of ten years in France, South Africa and Germany in the agricultural biotechnology, seeds and chemicals business. He commenced his career in Australia in marketing and product management in the agricultural chemicals business sector after completing his studies in the mid 80's.

Through his tenure with APL, he has helped guide the industry through significant challenges, including the 2009 'Swine Flu' pandemic, large increases in imported pork volumes into Australia and two industry profitability crises.

Mr Spencer has an Agricultural Science degree from The University of Melbourne and is Chair of the Australian Farm Institute, a director of Australasian Pork Research Institute Ltd and PorkScan Pty Ltd. Mr Spencer is a graduate member of the Australian Institute of Company Directors and a fellow of the Australian Institute of Managers and Leaders.

Ms Edwina Beveridge
B.Com, GAICD

Ms Beveridge is a pork producer from Young, NSW. She has significant industry involvement through the NSW Farmers Pork Committee, representing other farmers as an APL Delegate and on the APL Board. She has worked full-time in pig production since 2000, and operated a mixed farming business with her husband since 2007. She has a Bachelor of Commerce from the University of Sydney and qualified as a Chartered Accountant.

Independent Directors

Mr Dennis Mutton
BSc.(Hons), Grad Dip Mgt, JP, FAICD, FAIM
(resigned 30 June 2019)

Mr Mutton is an experienced Board Chair and Director and an Independent consultant in resource planning and development, leadership, strategic management and regional development. He is a Director of Duxton Water Ltd. and Councillor of the Royal Agricultural and Horticultural Society of SA. He is also a Member of the State Commission Assessment Panel, Assessment Commission of SA. He is the previous Chair of Pork CRC, Chair of the Grape and Wine Research and Development Corporation and the Council of Rural R&D Corporations. He has had a distinguished career in the South Australian Public Service and industry including as Chief Executive of Primary Industries and Resources SA and the Department of Environment and Natural Resources SA.

Mr Mutton was the independent chair until his resignation became effective on 30 June 2019.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

DIRECTOR'S REPORT 30 JUNE 2019

Dr Tony Peacock
BScAgr. (Hons) PhD FAICD FTSE
Independent Chairman

Dr Peacock is the Chief Executive of the Cooperative Research Centres Association. He has 30 years experience in research, research management and business development, 22 of those in CEO roles. Dr Peacock is an experienced company director and seed investor in a number of technology start-ups, including Wintermute Biomedical Inc, which is developing a unique antibiotic. He has extensive experience in regulatory and Government affairs.

Dr Peacock was appointed as the independent chair effective 1 July 2019

Elected Directors

Mr Neil Ferguson
BBus. (Agric)
(appointed 16 November 2018)

Mr Ferguson is currently the Chief Executive Officer for Westpork and has had 22 years' experience in the pig industry. Mr Ferguson is an Australian Pork Limited Delegate, Chairman of Agricultural Produce Commission of Western Australia – Pork Committee and a member of Pork Innovation Western Australian and Pork Industry Training WA.

Professor John Pluske
BSc. (Agric) (Hons), PhD (UWA), RAnNutr, R. Anim.Sci.
(resigned 16 November 2018)

Professor Pluske is located at Murdoch University. He is a nutritional digestive physiologist with particular expertise in the nutrition and growth and development of the young and growing pig. He has extensive managerial experience in the university environment.

Mr Kenton Shaw
BAppSc. GradDip ManMgt

Mr Shaw is currently Director and General Manager – Agricultural Operations for Rivalea Australia, having held the role since 2007. A graduate of the University of Queensland, Mr Shaw has had over 30 years' experience in the pig industry working across all areas of production including feedmilling. He is an Australian Pork Ltd delegate. While responsible for all pig production, feed milling, environmental management and agriculture at Rivalea, a major focus is on implementing sustainable production systems that enhance animal welfare and meet the needs of the public while ensuring long-term viability of the organisation & industry.

Professor Robert van Barneveld
B.Agr.Sc. (Hons), PhD, RAnNutr, FAICD

Professor van Barneveld is Group CEO and Managing Director of the Sunpork Group of Companies which includes Sunpork Farms, Sunpork Fresh Foods, Swickers Kingaroy Bacon Factory and Sunpork Solutions. In addition, Professor van Barneveld is a Non-Executive Director of the Ridley Corporation, and Chairman of the Autism CRC Ltd. He is a former Director of Australian Pork Ltd, Roseworthy Piggery Pty Ltd, Social Skills Training Pty Ltd and Porkscan Pty Ltd. Professor van Barneveld has a PhD in pig nutrition and has worked as a consultant scientist and nutritionist in Australia and overseas for the past 20 years.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

DIRECTOR'S REPORT 30 JUNE 2019

Professor Wayne Hein
Dip. Ag., BVSC, PhD

Professor Wayne Hein is currently Head of the School of Animal and Veterinary Sciences and Dean of Roseworthy Campus at the University of Adelaide.

Professor Hein began tertiary education at Roseworthy Agricultural College. He then obtained a degree in veterinary science at The University of Queensland and worked for a few years in veterinary public health before completing a PhD in immunology in the John Curtin School of Medical Research at the Australian National University. Over the next 13 years, he conducted basic research into the immune system of ruminants at the Basel Institute for Immunology, Switzerland. Following a move to New Zealand, his research interests focussed on basic and applied immunoparasitology. From 2007-2010 he was the Director of the Hopkirk Research Institute located at Massey University where research focussed on parasitic and infectious diseases of livestock. From 2011-2014 he was Professor and Head of the School of Veterinary and Biomedical Sciences and Dean of Veterinary Science at James Cook University, Australia. Professor Hein returned to South Australia as Head of the School of Animal and Veterinary Sciences and Dean of Roseworthy Campus at the University of Adelaide in February 2015.

Professor Hein has published extensively in basic and applied immunology, participated in numerous scientific advisory and review committees, given presentations at multiple national and international scientific conferences and held company director positions.

Company Secretary

Damien Howse
B.Bus CA GAICD
Company Secretary

Directors Meetings

The number of directors' meetings (including meetings of Board Committees) and number of meetings attended by each of the directors of the Company during the financial year are:

Director		Board of Directors	Audit Committee	R&D Advisory Committee
Mr Dennis Mutton	Eligible	6		2
	Attended	6		2
Professor Robert van Barneveld	Eligible	6		2
	Attended	6		-
Ms Edwina Beveridge	Eligible	6		2
	Attended	6		-
Mr Neil Ferguson	Eligible	3		1
	Attended	3		-
Dr Tony Peacock	Eligible	5	3	2
	Attended	5	3	2
Professor John Pluske	Eligible	2	3	1
	Attended	2	3	1
Mr Kenton Shaw	Eligible	6	3	2
	Attended	6	3	-
Mr Andrew Spencer	Eligible	6		2
	Attended	6		1
Professor Wayne Hein	Eligible	3		1
	Attended	3		1

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

DIRECTOR'S REPORT 30 JUNE 2019

Principal Activities and Objectives of the Company

The Company's objectives are focussed on enhancing the Australasian Pork Industry by investing in research, development, education and training, and commercialisation activities focused on priorities and deliverables that ensure the sustainability of Australasian pork production, and to generate optimal returns for all pork industry stakeholders.

Performance measurement

The Company evaluates its performance against objectives, milestones and targets as set out in the activities undertaken, and against the uptake of research outcomes, where appropriate, by Industry. Progress against activities is reported to Members annually.

Membership

The Company is limited by guarantee. As at 30 June 2019, 15 organisations continue as members of the Company. Pork CRC Ltd continued to control the Company by virtue of its voting rights until 30 June 2019. In the event of a winding up where there are insufficient assets to pay all liabilities, each of the 15 members are required to contribute \$10 each which would result in total additional funds of \$150.

Matters subsequent to the end of the financial year

There are no material matters arising subsequent to the year end that would require disclosure or adjustment to the financial statements.

Directors' benefits

No Director of the Company has received, or has become entitled to receive, a benefit because of a contract that the Director, a firm for which the Director is a member, or an entity in which the Director has a substantial financial interest, has made during the year ended 30 June 2019 or at any other time with the Company or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive, the benefit.

Directors' fees	
2019	2018
\$	\$
41,667	21,667
41,667	21,667

The directors' fees shown are the cash benefits paid to the independent directors in their capacity as directors. The directors nominated by members and APL do not receive any remuneration or benefit directly from the Company in their capacity as directors.

Indemnification and insurance of officers

To the extent permitted by law, the Company has agreed to indemnify every person who is or has been a director, company secretary or CEO of the Company against any liability, together with reasonable legal costs in defending an action against such a liability, incurred by that person as a director, secretary or CEO of the Company or as an officer of its controlled entities.

During the year the Company has been covered by directors' and officers' insurance cover effected by its parent entity, Pork CRC Ltd, and has not paid any premiums in respect of such cover.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on the following page and forms part of the Directors' Report for the financial year ended 30 June 2019.

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



Dr Tony Peacock
Chairman

20 September 2019
Adelaide

RSM Australia Partners

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

T +61(0) 2 6217 0300
F +61(0) 2 6217 0401

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Australasian Pork Research Institute Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 20 September 2019

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AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

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AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue	2	<u>2,869,781</u>	<u>1,642,012</u>
Expenses			
Research programme and other costs		(1,187,512)	(547,624)
Employee expenses	3	(387,258)	(364,938)
Other expenses	4	(192,771)	(193,332)
Surplus from operating activities		<u>1,102,240</u>	<u>536,118</u>
Financial income		45,078	40,716
Other financial items		-	(168,967)
Net financial income/(expense)		<u>45,078</u>	<u>(128,251)</u>
Surplus before income tax		<u>1,147,318</u>	<u>407,866</u>
Tax expense		-	-
Surplus for the period		<u>1,147,318</u>	<u>407,866</u>
Other comprehensive income			
Total comprehensive income for the period		<u><u>1,147,318</u></u>	<u><u>407,866</u></u>

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

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	8	3,540,345	2,246,899
Trade and other receivables	9	281,940	570,208
Derivative financial assets	10	-	7,471
		<u>3,822,285</u>	<u>2,824,578</u>
Total assets		<u>3,822,285</u>	<u>2,824,578</u>
Liabilities			
Current liabilities			
Trade and other payables	11	305,875	470,002
Unearned income	12	391,701	197,862
Employee Provisions		11,144	-
		<u>708,720</u>	<u>667,864</u>
Non-Current liabilities			
Unearned income	12	-	196,875
Employee Provisions		6,408	-
		<u>6,408</u>	<u>196,875</u>
Total liabilities		<u>715,128</u>	<u>864,739</u>
Net assets		<u>3,107,157</u>	<u>1,959,839</u>
Equity			
Retained surplus		3,107,157	1,959,839
Total equity		<u>3,107,157</u>	<u>1,959,839</u>

The above statement of financial position should be read in conjunction with the accompanying notes

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Retained surplus \$	Total Equity \$
Balance at 1 July 2017	1,551,973	1,551,973
Surplus/(Deficit) after income tax expense for the year	407,866	407,866
Balance at 30 June 2018	<u>1,959,839</u>	<u>1,959,839</u>
Balance at 1 July 2018	1,959,839	1,959,839
Surplus/(Deficit) after income tax expense for the year	1,147,318	1,147,318
Balance at 30 June 2019	<u>3,107,157</u>	<u>3,107,157</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from members and customers		3,441,991	1,118,199
Payments to suppliers and employees		<u>(2,193,623)</u>	<u>(1,117,418)</u>
Net cash from/(used in) operating activities		<u>1,248,368</u>	<u>781</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		<u>45,078</u>	<u>55,140</u>
Net cash used in investing activities		<u>45,078</u>	<u>55,140</u>
Net increase/(decrease) in cash and cash equivalents		1,293,446	55,921
Effect of exchange rate movements		-	450
Cash and cash equivalents at beginning of financial year		<u>2,246,899</u>	<u>2,190,528</u>
Cash and cash equivalents at end of financial year	8	<u>3,540,345</u>	<u>2,246,899</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Australasian Pork Research Institute Limited is a public company domiciled in Australia. The financial statements are presented in Australian dollars, which is Australasian Pork Research Institute Limited's functional and presentational currency.

The Company is a not-for-profit entity.

The financial report was authorised for issue by the Directors on 20 September 2019.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

AASB 9 Financial Instruments

The company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2018 or current year.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Wages and salaries

Liabilities for wages, salaries and annual leave that are expected to be wholly settled within 12 months of reporting date, represent present obligations resulting from employee's services provided to reporting date, are measured as the undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs.

Non-accumulating non-monetary benefits are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money of the risks specific to the liability.

Research project costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss and Other Comprehensive Income as an expense as incurred.

Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Company entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

- Membership fees and licence fee revenue – Note 2
- Employee Benefit – Note 1

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
NOTE 2. REVENUE		
Research and project co-funding	1,654,227	308,390
Membership fees	501,875	291,875
Government grant	-	239,583
Licence fees	196,565	399,995
Commercialisation income	517,114	402,169
	2,869,781	1,642,012

Accounting Policy

Government grants

Government grants are recognised in the Statement of Financial Position when there is reasonable assurance that they will be received and the Company will comply with the conditions attaching to them. Grants and contributions, for which there exist performance obligations and return conditions, that compensate the Company for expenses incurred are recognised as revenue in the Statement of Profit and Loss and Other Comprehensive Income on a systematic basis in the same periods in which the expenses are incurred.

Licensing and commercialisation revenue

Revenue arising from the use by others of the Company's assets yielding interest, royalties and dividends shall be recognised on the bases set out below when:

- (a) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (b) the amount of the revenue can be measured reliably.

Revenue is recognised on the following bases:

- (a) interest is recognised using the effective interest method
- (b) royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Membership revenue

Membership fees comprise foundation fees, associate membership fees, and application fees.

Foundation fees represent the initial contributions made by all Foundation Members to APRIL during the year ended 30 June 2017. As a result of paying this fee, Foundation Members are not required to pay the application fee and the annual subscription fees that other Ordinary Members are required to pay, as stated in the APRIL Constitution, until July 2020.

The amount allocated to the discount received by the Foundation Members is deferred, and will be recognised as revenue over the period in which these Members receive the benefit.

Application fees are recognised as revenue when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of the revenue can be measured reliably.

Annual subscription fees are recognised as revenue over the period in which Members receive their membership benefits.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
NOTE 3. EMPLOYEE EXPENSES		
Management fees	108,723	363,804
Other associated personnel costs	<u>278,535</u>	<u>1,134</u>
	<u>387,258</u>	<u>364,938</u>

Australian Pork Ltd charges the Company a management fee on a reimbursement basis which is calculated based on the time spent by Australian Pork Ltd employees on providing corporate services to the Company.

NOTE 4. OTHER EXPENSES

Legal fees	9,308	14,790
Directors fees	46,024	21,667
Travel	32,994	21,568
Communication costs	24,592	8,438
Commercialisation costs	31,978	117,214
Other	<u>47,875</u>	<u>9,656</u>
	<u>192,771</u>	<u>193,332</u>

NOTE 5. FINANCIAL INCOME

Interest income from cash and cash equivalents	<u>45,078</u>	<u>40,716</u>
	<u>45,078</u>	<u>40,716</u>

Accounting policy

Interest income is recognised in the Statement of Profit and Loss and Other Comprehensive Income as it accrues, using the effective interest method.

NOTE 6. OTHER FINANCIAL ITEMS

Fair value losses on FVTPL financial assets	-	(169,417)
Net foreign exchange gains/(losses)	<u>-</u>	<u>450</u>
	<u>-</u>	<u>(168,967)</u>

NOTE 7. INCOME TAX EXPENSE

The Company is a non-profit scientific institution and as such the Company's constitution prohibits the distribution of income and assets to members. Accordingly, the Company is not subject to income tax.

NOTE 8. CASH AND CASH EQUIVALENTS

Cash at bank	1,815,037	563,389
Term deposits - maturing in 3 months or less	<u>1,725,308</u>	<u>1,683,510</u>
	<u>3,540,345</u>	<u>2,246,899</u>

The Company holds a term deposit with an original maturity of 60 days and an interest rate of 1.65%

Accounting policy

Cash and cash equivalents comprises cash balances, at call deposits and term deposits with an original maturity of 3 months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
NOTE 9. TRADE AND OTHER RECEIVABLES		
Trade receivables	152,016	192,141
Other receivables	129,924	291,762
Prepayments	-	77,670
GST receivable	-	8,636
	<u>281,940</u>	<u>570,208</u>

Accounting policy

Receivables are stated initially at their fair value and subsequently measured at their amortised cost less impairment losses.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss and Other Comprehensive Income

NOTE 10. DERIVATE FINANCIAL ASSETS

Current

Share options - Financial assets at FVTPL	-	7,471
	<u>-</u>	<u>7,471</u>

During the 2017 financial year, the Group was granted 500,000 share options in Anantara Lifesciences Ltd (ASX:ANR).

The options vested in 3 tranches with the first tranche of 125,000 options vesting and being exercised during the 2017 financial year.

The options had been valued using a variation of the binomial option pricing model as of 30/06/18 that takes into account factors specific to the share options, such as the vesting period and performance conditions, with the following inputs:

	As at 30 June 2018	
	Tranche 2	Tranche 3
Number of options	250000	125000
Strike price	\$0.50	\$0.50
Volatility	56%	56%
Risk free rate	1.90%	1.90%
Probability of meeting performance conditions	20%	0%
Vesting date	14/09/2016	18/09/2017
Expiry date	18/09/2018	18/09/2018
Underlying share price	\$0.64	\$0.64

The above options were not exercised and as such lapsed in May 2019.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
NOTE 11. TRADE AND OTHER PAYABLES		
Trade and other payables	240,072	470,002
GST payable	65,803	-
	<u>305,875</u>	<u>470,002</u>

Accounting policy

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost. Trade payables are normally settled on 30 day terms.

NOTE 12. UNEARNED INCOME

Current

Project co-contributor funding	194,826	987
Member contributions	196,875	196,875
	<u>391,701</u>	<u>197,862</u>

Non-current

Member contributions	-	196,875
	<u>-</u>	<u>196,875</u>

Unearned income consists of grant funding income received and not spent, membership fees received for the period 1 July 2019 to 30 June 2020 and commercialisation income received in advance. The method of recognition aligns the grant income to the period the relevant expenditure is incurred.

NOTE 13. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following were key management personnel of the Company for the entire reporting period, unless otherwise stated:

Directors

1. Mr Dennis Mutton - BSc.(Hons), Grad Dip Mgt, JP, FAICD, FAIM - Independent Chairman
2. Professor Robert van Barnevald - B. Agr.Sc. (Hons), PhD, RAnNutr, FAICD
3. Ms Edwina Berveridge - B.Com, GAICD
4. Dr Tony Peacock - BScAgr(Hons), PhD, FAICD, FTSE
5. Professor John Pluske - BSc (Agric) (Hons), PhD (UWA), RAnNutr, R. Anim.Sci (resigned 16/11/2018)
6. Mr Kenton Shaw - BAppSci, GradDip ManMgt
7. Mr Andrew Spencer - BAgSci (Melb), GAICD
8. Mr Neil Ferguson - B.Bus (Agric) (commenced 16/11/2018)
9. Professor Wayne Hein - Dip. Ag., BVSC, PhD (commenced 16/11/2018)

Executives

Professor John Pluske - Chief Executive Officer, BSc (Agric) (Hons), PhD (UWA), RAnNutr, R. Anim.Sci
 Dr Charles Rikard-Bell – Manager, BSc. Agr, MSc, PhD
 Mr Damien Howse - Company Secretary, B.Bus, CA GAICD

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Key management personnel transactions with the Company

During the year the Company transacted with entities for which key management persons hold positions that result in them having control or significant influence over the financial or operating policies of these entities. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arms length basis.

Pork CRC Ltd charged the Company a fee based on the time spent by Pork CRC Ltd on managing the affairs of the Company and its subsidiary. These amounts are classified as "Employee expenses" in the Statement of Profit and Loss and Other Comprehensive Income.

The management fee incurred by the Company in respect of key management personnel for the year was \$169,883 (2018 : \$213,219).

NOTE 14. RELATED PARTY DISCLOSURES

Transactions with parent

The parent of Australasian Pork Research Institute Ltd. (Pork CRC) is in the process of being deregistered, and the following transactions occurred in 2019.

- the Company received licence fees from Pork CRC Ltd totalling \$196,565 plus GST.
- the Company incurred \$169,882 plus GST in respect of management fees from Pork CRC Ltd.
- the Company invoiced Pork CRC Ltd membership fees of \$225,000 plus GST.

Transactions with director related entities

In the following table, superscripts refer to the director affiliations (from the numbered list of directors in Note 13) with each related party.

Net transactions with the Company by director related entities were as follows:

	Amount (paid)/ received	Balance owed to / (by) the Company at 30 June	Amount (paid)/ received	Balance owed to / (by) the Company at 30 June
	2019 \$	2019 \$	2018 \$	2018 \$
Autism CRC ²	-	-	(16,500)	-
CHM Alliance Pty Ltd ²	(78,079)	-	(57,750)	-
Murdoch University ⁵	(148,983)	-	(13,750)	-
Australian Pork Ltd ^{3,6,7}	(633,630)	(21,951)	-	(12,314)
Australian Pork Farms Company Ltd ²	-	-	(80,526)	-
Rivalea (Australia) Pty Ltd ⁶	(87,835)	-	3,806	-
Pork CRC Ltd ^{1,2,5,6,7}	(118,670)	-	100,123	11,068
Pork Innovation WA Management Committee ^{5,8}	(17,374)	-	-	-
University of Adelaide ⁹	(11,812)	-	-	-

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Transactions with director related entities consist of the receipt of membership fees and commercialisation income, and the payment of research costs and costs related to the Company's Industry Placement Program.

NOTE 15. SUBSEQUENT EVENTS

There are no material matters arising subsequent to the year-end that would require disclosure or adjustment to the financial statements.

AUSTRALASIAN PORK RESEARCH INSTITUTE LIMITED

DIRECTORS DECLARATION

In accordance with the resolution of the Directors of Australasian Pork Research Institute Limited made pursuant to section 295(5)(a) of the Corporations Act 2001, the Directors declare that:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



Dr Tony Peacock
Chairman

DATE

20/9/19.

RSM Australia Partners

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

T +61(0) 2 6217 0300

F +61(0) 2 6217 0401

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALASIAN PORK RESEARCH INSTITUTE LTD

Opinion

We have audited the financial report of Australasian Pork Research Institute Ltd (APRIL), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of APRIL is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of APRIL's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of APRIL in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of APRIL, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in APRIL's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

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RSM Australia Partners ABN 36 965 185 036

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of APRIL are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of APRIL to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate APRIL or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 20 September 2019