

OFFICIAL

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

ABN 86 071 890 956

FINANCIAL STATEMENTS

For the year ended 30 JUNE 2025

OFFICIAL

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
DIRECTORS' REPORT for the year ended 30 JUNE 2025

DIRECTOR REPORT

Directors present their report together with the financial report of the Australian Animal Health Council Limited ("the Company") for the year ended 30 June 2025 and the auditor's report thereon.

Information on directors

Name: Title: Qualifications:	Malcolm Letts Non-Executive Director B.App.Sc M.App.Sc GAICD
Experience and expertise:	Extensive experience in senior executive roles in state government, particularly relating to agricultural industry development, resource management, biosecurity and trade development. Broad experience in corporate governance and leadership. Strengths in stakeholder engagement and communication.
	AHA director since November 2020.(Chair from November 2024)
Special responsibilities:	Chair of the People Culture and Performance Committee until November 2024
Name: Title: Qualifications:	Renata Paliskis Non-Executive Director Dip Ag Sci Ag (Hawkesbury), MBA, Masters Degree Professional Accounting (Curtin), Fellow AICD, Fellow Australian Rural Leadership Foundation.
Experience and expertise:	A Western Australian beef producer with extensive experience spanning 30 years in the meat and livestock industry, serving across a variety of sectors as a chief executive and company director as well as on finance and audit committees.
	AHA director since November 2019
Special responsibilities:	Chair of the Audit & Risk Management Committee
Name: Title: Qualifications:	Lucinda Corrigan Non-Executive Director B.Sc. Agr (Hons 1 Syd), FAICD, Fellow Australian Rural Leadership Foundation.
Experience and expertise:	A successful Farm Business owner and Independent Director with a deep understanding of sustainability and innovation in livestock systems. Skills and experience in business growth, communication, supply chain innovation and ESG.
	AHA director since November 2022
Special responsibilities:	Chair of the People Culture and Performance Committee since November 2024

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Name: **Stuart Crockett**
Title: Non-Executive Director
Qualifications: BBus, GAICD, Dip ESG

Experience and expertise: Highly experienced government and private sector senior executive. Significant focus on international market access and advocacy. Former Australian and State government Trade Commissioner (China and USA). Current MD of Ag life sciences organisation commercialising world-leading IP domestically and internationally.

AHA Director since November 2022

Special responsibilities: Member of the Audit & Risk Management Committee

Name: **Michelle Gorman (Ceased 13 November 2024)**
Title: Non-Executive Director
Qualifications: BScAg (Syd), MSc (Reading), MBA (MGSM), GAICD

Experience and expertise: Extensive national and international experience in food and agriculture, including market access, business development and industry systems. More recently Michelle has held senior leadership roles in financial services with accountabilities for strategy, product management and business transformation.

AHA director since 2016.

Special responsibilities: Member of People Culture & Performance Committee.

Name: **Roseanne Healy**
Title: Non-Executive Director
Qualifications: BEc/Arts LLB, MBA, MBusRes (Adelaide), GAICD

Experience and expertise: An accomplished professional non-executive director with deep experience in legal, risk, finance and corporate governance. Formerly held senior roles as CEO, executive and advisor in both public and private sector organisations across diverse industries such as infrastructure, banking, resources, agriculture and technology.

AHA Director since November 2024

Special responsibilities: Member of the Audit & Risk Management Committee

Name: **Sharon Starick**
Title: Non-Executive Director
Qualifications: BAgSci (Hons), Member GAICD

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Experience and expertise: Extensive experience in livestock farming, industry organisation, stakeholder relationships, and ESG compliance as a company director.

AHA director since 2010 (Chair from 2019 – November 2024).

Special responsibilities: Member of Audit & Risk Management Committee until November 2024.
 Member of the People, Culture and Performance Committee since November 2024.

Name: **Dr Len Stephens (Ceased 13 November 2024)**

Title: Non-Executive Director

Qualifications: Dip Agr Sci, BVSc, MSc, PhD, GAICD

Experience and expertise: Extensive experience in biosecurity and research management, with CEO and company director experience across cattle, sheep, wool, dairy and seafood sectors.

AHA Director since 2016.

Special responsibilities: Member of the Audit & Risk Management Committee

Name: **Edward Storey**

Title: Non-Executive Director

Qualifications: BEc (Syd), GAICD

Experience and expertise: Experienced sheep and wool producer and Director. Past President of Wool Producers Australia with a deep understanding of AHA's programs and biosecurity more broadly.

AHA Director since November 2024

Special responsibilities: Member of the People, Culture and Performance Committee.

Directors' meetings

The number of directors' meetings and attendance during the financial year were:

Director Name	Board Meetings		Audit & Risk Management Committee		People, Culture and Performance Committee	
	No of meetings held ¹	No of meetings attended	No of meetings held ¹	No of meetings attended	No of meetings held ¹	No of meetings attended
Sharon Starick	5	5	1	1	2	2
Renata Paliskis	5	5	3	3	0	0
Malcolm Letts	5	5	0	0	2	2
Len Stephens	2	2	1	1	0	0
Michelle Gorman	2	2	0	0	1	1

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Director Name	Board Meetings		Audit & Risk Management Committee		People, Culture and Performance Committee	
	No of meetings held ¹	No of meetings attended	No of meetings held ¹	No of meetings attended	No of meetings held ¹	No of meetings attended
Stuart Crockett	5	5	3	3	0	0
Lucinda Corrigan	5	5	0	0	2	2
Edward Storey	3	3	0	0	1	1
Roseanne Healy	3	1	2	1	0	0

1. Reflects the number of meetings held, including the board and board committees convened by conference call during the time the director held office during the year.

Objectives

The vision of the Company is a national biosecurity system that provides every opportunity for Australian agriculture to succeed at home and overseas.

The Company's mission is to inform the government and industry about national action required and delivering solutions together that enhance, strengthen and protect animal health and the biosecurity system.

Strategic Priorities

The Company's three strategic priorities, as set out in its strategic plan for 2020-2025, are:

- Enhancing Australia's capability to detect and respond to emergency animal disease, supporting Australia's domestic and international market access.
- Strengthening on-farm and supply chain biosecurity practices with a focus on prevention and resilience to protect animal health, welfare and product integrity.
- Delivering cross-sectoral outcomes that improve regional, state and national biosecurity systems, contributing to the protection of markets and the identification of new opportunities.

The strategic priorities are to be delivered through the implementation of specific strategies with specific deliverables, with progress and success monitored, evaluated and reported against success measures.

Principal activities

The principal activities of the Company were working with members to develop and deliver projects to keep Australia free of new and emerging diseases and improve animal health, enhance market access and foster the resilience and integrity of the Australian animal health and biosecurity system. The Company plays an active role in maximising the effectiveness of government and industry partnerships and consultative mechanisms to manage livestock biosecurity risks, which help Australia maintain its enviable disease-free status and contributes to its strong reputation for food safety product integrity.

Review and result of operations

The Company achieved a net operating surplus of \$5.05 million for 2025. This was driven by a difference of \$3.5 million in industry levy income received over industry levy expenditures as well as improved returns from AHA investments.

Levy income was up on the prior year by 0.7m, primarily as a result of a 14% increase in Cattle Levies and a 6% increase in Sheep and lamb levies. Revenue from non-subscription programs rose to \$4.8m, an increase of \$0.5m from the prior year. Other income rose by \$0.2m from prior year, AHA support services generating a majority of the other income.

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Distribution income increased by \$0.7m from prior year (108%). High market volatility was experienced during the financial year due to global political uncertainty, particularly in the US. Despite this, equity markets held and AHA's investment returns were strong.

Total expenditure increased by 8.2% in 2025. Subscription program expenditure remained flat whilst there was 13% increase in expenditure for non-subscription programs (\$0.9m to a total of \$7.4m).

The increase in equity of \$5.0 million is primarily reflected in a \$8.5 million increase in total assets (\$5.1 million increase in cash & investments and a \$2.8 million refresh of the foot-and-mouth disease (FMD) Vaccine bank) and a \$3.5 million increase in total liabilities.

State of affairs

On the 11th July 2024, Dr Samantha Allan was appointed as the new CEO of the Australian Animal Health Council. In the opinion of directors there has been no other significant change in the state of affairs of the Company that occurred during the financial year under review, not otherwise disclosed in this report or the financial report.

Member commitment on winding up

The Company is limited by guarantee, and in the event of the Company being wound up, every Member of the Company undertakes to contribute an amount not exceeding \$100.

Auditor's independence and non-audit services

The auditor's independence declaration is set out on page 23 and forms part of the directors' report. During the year, RSM, the Company's Auditor, have not performed services in addition to their statutory duties.

Directors' interests and benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than that included in the aggregate amount of remuneration shown in the financial statements) by reason of a contract with a director, their firm, or one in which they have a financial interest.

Insurance of officers and directors

Premiums of \$16,055 have been paid on behalf of directors and officers for professional liability insurance. The policies cover costs in defending proceedings, civil or criminal, whatever their outcome, arising from their position, with the exception of wilful misconduct and improper use of information/position for personal advantage.

Signed in Canberra on 25th September 2025 in accordance with a resolution of directors:



Malcolm Letts
Chairperson of the Board



Renata Paliskis
Chair - Audit & Risk Management Committee

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**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 \$	2024 "restated" \$
Continued Operations			
Revenue from members, associates and service providers ²	2(a)	16,930,318	15,590,503
Interest and Distribution income		2,256,908	1,309,773
Other income	2(b)	450,108	215,592
TOTAL REVENUE²		19,637,334	17,115,868
Core activities		(5,994,875)	(5,938,049)
Other activities		(7,381,648)	(6,524,798)
EADRA Cwth Reimbursement		(566,968)	(437,036)
FMD Inventory Write-down		(546,069)	(501,830)
Levy collection costs		(39,578)	(28,674)
TOTAL EXPENDITURE	3	(14,529,138)	(13,430,387)
OPERATING SURPLUS BEFORE FAIR VALUE ADJUSTMENT AND INCOME TAX EXPENSE		5,108,196	3,685,481
Fair Value Adjustment ¹		(60,206)	451,067
Income tax attributable to an operating surplus	1(e)	-	-
NET OPERATING SURPLUS ²		5,047,990	4,136,548

¹ Fair Value Adjustment: AHA's purchase of TCorpIM short, medium and long-term unit trusts' are classified as "Puttable financial instruments" and in accordance with accounting standards, are classified as equity, and subsequently, the AHA investments are measured at fair value through the Profit and Loss account. Revenue generated as a result of the fair value adjustment has been separately identified as revenue after operating results. This is to ensure that the operating results are not distorted by annual market fluctuations in AHA investments.

² The accounting treatment of the revenue received from parties to the FMD Vaccine Acquisition Funding Agreement (2024 – 2029) has been changed in the year ended 30 June 2025 from AASB1058 (recognising the income on receipt) to AASB15. In accordance with AASB15, the funding for the five-year commitment will be recognised over the life of the performance obligation that AHA has to more accurately reflect the agreement that AHA has under the five-year FMD Vaccine Bank agreement. This recognition matches the amortisation of the inventory asset which remains unchanged. The 2024 comparative figures have been restated to reflect the effect that this change would have had in that period in accordance with AASB 108. If this recognition method had been adopted in the 2023-2024 financial year for the 2019 – 2024 FMD Vaccine Bank, the impact would have been an increase in Revenue from members, associates and services providers of \$599,385 to \$15,590,503, an increase in Total Revenue to \$17,115,868 and therefore an increase in the Net Operating Surplus by that same amount to \$4,136,548.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025 \$	2024 "restated" \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,108,356	1,001,212
Investments	4	37,105,947	34,150,879
Inventory held for distribution	5	5,622,652	2,814,420
Trade and other receivables	6	2,394,957	1,439,341
Other	7	60,413	93,909
TOTAL CURRENT ASSETS		48,292,325	39,499,761
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,659,669	1,926,932
TOTAL NON-CURRENT ASSETS		1,659,669	1,926,932
TOTAL ASSETS		49,951,994	41,426,693
CURRENT LIABILITIES			
Trade and other payables	9	5,562,873	4,298,880
Contract Liability ¹	10	4,439,164	2,102,827
Lease Liability	11	123,602	111,810
Employee benefits	12	407,106	421,086
TOTAL CURRENT LIABILITIES¹		10,532,745	6,934,603
NON-CURRENT LIABILITIES			
Lease Liability	11	1,356,267	1,479,870
Employee benefits	12	21,985	19,213
TOTAL NON-CURRENT LIABILITIES		1,378,252	1,499,083
TOTAL LIABILITIES¹		11,910,997	8,433,686
NET ASSETS¹		38,040,997	32,993,007
EQUITY			
Accumulated members' funds ¹		38,040,997	32,993,007
TOTAL EQUITY¹		38,040,997	32,993,007

¹The accounting treatment of the revenue received from parties to the FMD Vaccine Acquisition Funding Agreement (2024 – 2029) has been changed in the year ended 30 June 2025 from AASB 1058 (recognising the income on receipt) to AASB15. In accordance with AASB15, the funding for the five-year commitment will be recognised over the life of the performance obligation that AHA has to more accurately reflect the agreement that AHA has under the five-year FMD Vaccine bank agreement. This recognition matches the amortisation of the inventory asset which remains unchanged. The 2024 comparative figures have been restated to reflect the effect that this change would have had in that period in accordance with AASB 108. If this recognition method had been adopted in the 2023-2024 financial year for the 2019 – 2024 FMD Vaccine Bank, the contract liability balance would have increased by \$271,852 to which represents the liability remaining for the 2019 – 2024 FMD Vaccine bank contract to December 2024. The adjusted 2024 Contract Liability balance is \$2,102,827. Total Current Liabilities will increase by that same amount to \$6,934,603 and Total Liabilities will increase by that same amount to \$32,993,007. Consequently, Net Assets will decrease by \$271,852 to \$32,993,007. The impact of this change on Retained Earnings will therefore also reduce Total Equity by the same amount to \$32,993,007.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Accumulated Members' Funds	Total Equity
	\$	\$
Recorded equity at 30 June 2024	33,264,859	33,264,859
Adjustment to equity for FMD Vaccine bank accounting policy change¹	(271,852)	(271,852)
Adjusted Opening Equity at 30 June 2024¹	32,993,007	32,993,007
Operating surplus for the year	5,047,990	5,047,990
Balance at 30 June 2025	38,040,997	38,040,997

¹ The accounting treatment of the revenue received from parties to the FMD Vaccine Acquisition Funding Agreement (2024 – 2029) has been changed in the year ended 30 June 2025 from AASB 1058 (recognising the income on receipt) to AASB15. In accordance with AASB15, the funding for the five year commitment will be recognised over the life of the performance obligation that AHA has to more accurately reflect the agreement that AHA has under the five year FMD Vaccine bank agreement. This recognition matches the amortisation of the inventory asset which remains unchanged. The 2024 comparative figures have been restated to reflect the effect that this change would have had in that period in accordance with AASB 108. If this recognition method had been adopted in the 2023-2024 financial year for the 2019 – 2024 FMD Vaccine Bank, the balance of Total Equity as at 30 June 2024 would be reduced by \$271,852 which represents the liability remaining for the 2019 – 2024 FMD Vaccine bank contract to December 2024.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 \$	2024 \$
CASHFLOW FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		19,321,118	15,947,281
Cash payments in the course of operations		(16,413,525)	(12,602,017)
Interest paid on Lease		(60,483)	(64,310)
Interest received		953,066	579,797
Net activities generated from/ (used in) operating expenses	13	3,800,176	3,860,751
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of investments		(6,649,832)	(6,408,793)
Redemption of investments		5,081,694	2,998,589
Repayment of Lease Liability		(111,810)	(100,695)
Purchase of property, plant and equipment		(13,084)	(54,079)
-Net cash flows used in investing activities		(1,693,032)	(3,564,978)
Net increase in cash and cash equivalents held		2,107,144	295,773
Cash and cash equivalents at the beginning of the year		1,001,212	705,439
Cash and cash equivalents at the end of the year	4	3,108,356	1,001,212

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 JUNE 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The financial reports of Australian Animal Health Council Limited for the year ended 30 June 2025 are issued in accordance with a directors' resolution of 25th September 2024. The principal accounting policies adopted in the preparation of the financial statements are set out below and consistently applied to the years presented unless otherwise stated.

Adoption of New and Revised Accounting Standards

The Company has adopted the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards impacted the recognition, measurement, and disclosure of certain transactions.

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

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate Not-for-profit entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements are presented in Australian dollars.

Subsection 295(3A)(a) of the Corporations Act 2001 does not apply to the Company, because the Company is not required to prepare consolidated financial statements by Australian Accounting standards.

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(c) 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.

Estimation of useful lives of assets

The entity determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change. The depreciation and charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Accrued expenses

As at 30 June 2025, the entity has recognised accrued expenses relating to project Surveillance and laboratory activities. These accruals represent management's best estimate of costs incurred but not yet invoiced at year-end. The accrual is based on the fact that the Steering Committee approved, scheduled surveillance and testing activities were completed up to 30 June even if invoices are pending. The accrual represents the difference between the known commitments and actual costs incurred at year end.

(d) Revenue

Industry levies collected by the Commonwealth

The Australian government collects levies from AHA' industry levy members' under the authority of the Australian Animal Health Council (Livestock Industries) Act 1996. AHA receives an amount equal to levies collected. Revenue received in accordance with the Act is treated as a non-reciprocal transfer and recognised as income when received.

Revenue from contracts with customers

Direct member subscriptions – Subscription funding for all classes of members is set by the Company at a general meeting. Subscriptions are recognised as income when the subscription becomes receivable.

Non-subscription programs revenue – Non-subscription program funding is agreed upon on a project-by-project basis, on the condition that specified project services are delivered, and specific conditions met. This funding is considered to be a reciprocal transaction. Income is recognised as services are performed, and conditions met. To the extent services are not met, cash received is recognised as a 'Contract Liability'.

Interest income

is recognised as accrued using the effective interest method.

Other revenue

includes minor and/or ad hoc and one-off revenue sources.

(e) Income tax

Under the provisions of Sections 50-1 and 50-40 of the Income Tax Assessment Act 1997, as

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amended, the Company is eligible for exemption from income tax, and currently, no tax provision has been provided for in the financial statements. Such eligibility is reviewable by the Australian Taxation Office (ATO).

(f) Other taxes

Revenues, expenses, and assets are recognised net of the goods and services tax (GST), except where the GST incurred is not recoverable from the ATO. The net GST recoverable from or payable to the ATO is included as a current asset/liability in the balance sheet.

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

(g) Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(h) Treasury policy

The Animal Health Australia (AHA) Treasury and Investments Policy is to service the funding, liquidity, and growth needs of AHA. AHA will invest surplus funds after authorisation from the Board in appropriate instruments that allow AHA to meet its funding, growth and return objectives.

(i) Inventories held for distribution

The Company holds inventories of antigens in guaranteed quantities in specialist banks in the event of a disease outbreak of anthrax or foot and mouth disease. The inventories are valued at cost less amortisation due to the guaranteed delivery over the multi-year provisioning contracts.

(j) Trade and other receivables

The Company's terms are typically settlement within 30 days, though they vary for members according to circumstances. Receivables are carried at the amount due. The collectability of debts is assessed at balance date, and provision is made for any doubtful accounts.

(k) Impairment

The Company assesses whether there is any indication that an asset may be impaired. If so, an estimate of the recoverable amount is made. Where the carrying amount of an asset exceeds its recoverable amount, it is considered impaired and written down to its recoverable amount. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows and the asset would be replaced if the Company were deprived of the asset, its value in use is taken to be its depreciated replacement cost. For 2024/25, no assets are considered to be impaired.

(l) Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Non-capital repairs and maintenance are recognised as expenses are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount; these are included in the income statement.

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Depreciation is calculated on a straight line value basis over the estimated useful life of the specific assets as follows:

Asset Class	Useful Lives
Furniture and fittings	5 years
Office equipment	3 to 5 years
ICT	3 years
Office Fitout	Lease term
Right of use asset	Lease term

(m) Trade and other payables

Trade and other payables are carried at nominal cost, representing goods and services provided prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Employee benefits

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

Non-current liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made for services provided by employees up to the reporting. Consideration is given to likely future wage rises, historical trends of departures and periods of service.

(o) Leases

At the inception of a contract, the entity assesses whether a contract is or contains a lease. A contract is considered to contain a lease if it allows the entity the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the entity recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of the future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

(p) Contract liabilities

Contract liabilities represent the entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration or when the entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the entity has transferred the goods or services to the customer.

(q) Comparative figures

Where required by Accounting Standards and where appropriate, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

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2. Revenue

	2025	2024
	\$	\$
2(a) Revenue from members, associates and service providers¹		
Levy Collection ²	8,735,238	8,018,789
Direct member subscriptions	3,423,054	3,330,850
Revenue for non-subscription programs ³	4,772,026	4,240,864
Total revenue from members, associates, and service providers³	16,930,318	15,590,503

¹ Member groups consist of the Commonwealth, State/Territory governments, industry, service providers and associates. AHA's subscription programs are funded according to member resolutions at the general meeting. Other non-subscription programs are funded according to contributing members' agreement. Industry members for whom the Commonwealth collects levies under the authority of the *Australian Animal Health Council (Livestock Industries) Act 1996* contribute by that means.

² Pursuant to the Act, an amount equivalent to the levies collected by the Commonwealth is paid to AHA. Levy collections are made up of two components: those for use by the Company in program delivery and EADRA levies to repay previous emergency disease response events the Commonwealth has underwritten. Levies received from industry amounted to \$8.245 million, and EADRA levies for the repayment of avian influenza events amounted to \$0.489 million (chicken meat and egg industries).

³ The accounting treatment of the revenue received from parties to the FMD Vaccine Acquisition Funding Agreement (2024 – 2029) has been changed in the year ended 30 June 2025 from AASB 1058 (recognising income on receipt) to AASB15. In accordance with AASB 15, the funding for the five year commitment will be recognised over the life of the performance obligation that AHA has to more accurately reflect the agreement that AHA has under the five year FMD Vaccine bank agreement.. This recognition matches the amortisation of the inventory asset which remains unchanged. The 2024 comparative figures have been restated to reflect the effect that this change would have had in that period in accordance with AASB 108. If this recognition method had been adopted in the 2023-2024 financial year for the 2019 – 2024 FMD Vaccine Bank, the impact would have been an increase in Revenue for non-subscription programs of \$599,385 to \$4,240,864 and therefore an increase in Total revenue from members, associates and service providers by that same amount to \$15,590,503.

2(b) Other Income

Duck industry voluntary levy ¹	102,727	102,955
AHA Support Services	245,478	87,935
Gain on Sale of fixed Asset	79,541	-
Training resources	20,447	20,618
Gate signs	-	3,336
Other	1,915	748
	450,108	215,592

1. The duck industry made a voluntary levy contribution in 2024/25 of \$ 102,727 in accordance with the provisions of the deed entered into with AHA.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 JUNE 2025

3. Expenses

	2025	2024
	\$	\$
Employee Benefits Expense		
Salaries, wages, and accrued leave entitlements	3,599,854	4,327,894
Workers compensation insurance	51,136	42,017
Superannuation -	387,789	449,331
Total employee benefits expense	4,038,779	4,819,242
Audit fees	39,500	37,600
Commonwealth member services delivery	195,782	226,085
Contractors and Consultants	3,150,894	2,438,988
Depreciation and amortisation	280,348	288,451
Directors fees	265,348	257,254
EADRA Repayments	566,968	437,036
FMD Inventory Write-down	546,070	501,830
Industry member services delivery	531,369	438,048
Information Communications Technology (ICT)	209,068	163,664
Interest	60,484	64,071
Labour Hire	75,625	96,271
Levy collection costs	39,578	28,674
Legals	85,403	156,087
Non-staff travel reimbursement	334,129	85,835
Other administration and program expenses	505,233	420,862
Property operating	40,851	42,717
Recruitment	6,472	73,433
State member services delivery	2,460,153	2,095,828
Travel & Accommodation	343,448	327,327
Venue Hire	333,717	232,531
Website / Database hosting	419,920	198,553
	10,490,359	8,611,145
	14,529,138	13,430,387

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 JUNE 2025

4. CASH AND INVESTMENTS

	2025 \$	2024 \$
Cash and Cash Equivalents		
Cash at Bank – Cheque account	3,108,356	1,001,212
Total Cash and Cash Equivalents	3,108,356	1,001,212
Term Deposits	17,894,908	16,214,963
Total Term Deposits	17,894,908	16,214,963
Investments¹		
TCorp investment management	19,211,039	17,935,916
TOTAL INVESTMENTS	19,211,039	17,935,916
TOTAL CASH AND INVESTMENTS	40,214,303	35,152,091

1. NSW Treasury Corporation (TCorp) is the financial markets' partner of the NSW public sector. TCorp helps government agencies and certain entities with a strong nexus to NSW achieve better financing investment outcomes. For further details, please refer to www.tcorp.nsw.gov.au.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 JUNE 2025

5. INVENTORIES HELD FOR DISTRIBUTION

	2025	2024
	\$	\$
Anthrax antigen bank inventory at cost	75,667	75,667
Foot & Mouth Disease antigen bank inventory at cost (2024/25 - 2029/30)		
Less FMD antigen bank inventory write-down	5,863,450	5,018,296
	(316,465)	(2,279,543)
	5,622,652	2,814,420

6. TRADE AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Trade receivable	1,209,448	451,939
Interest receivable	272,818	307,045
Industry levies receivable	820,290	671,025
GST Receivable	87,260	-
Other receivables	5,141	9,332
	2,394,957	1,439,341

7. OTHER ASSETS

	2025	2024
	\$	\$
Prepayments	60,413	93,909
Deposits	-	-
TOTAL OTHER ASSETS	60,413	93,909

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT

	Office Equip	Fixtures & fittings	ICT	Office Fitout	Right of Use Asset	Total
Cost						
Balance at 30 June 2024	64,437	47,450	325,838	794,877	1,745,379	2,977,981
Additions	3,588	-	9,496	-	-	13,084
Balance at 30 June 2025	68,025	47,450	335,334	794,877	1,745,379	2,991,065
Depreciation and impairment losses						
Balance at 30 June 2024	58,137	46,187	243,008	383,730	319,986	1,051,049
Depreciation for the year	4,097	651	51,265	49,797	174,538	280,348
Balance at 30 June 2025	62,234	46,838	294,273	433,526	494,524	1,331,395
Carrying amounts						
At 30 June 2024	6,299	1,263	82,830	411,147	1,425,393	1,926,932
At 30 June 2025	5,791	611	41,061	361,350	1,250,855	1,659,669

9. TRADE AND OTHER PAYABLES

	2025	2024
	\$	\$
Trade accounts payable	1,422,871	349,517
Accrued expenses	1,781,728	1,695,126
Prepaid Revenue	1,815,144	2,160,061
VAT Payable	517,738	-
GST Payable	-	50,424
Other	25,392	43,752
TOTAL TRADE AND LIABILITIES	5,562,873	4,298,880

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 JUNE 2025

10. CONTRACT LIABILITY

	2025	2024
	\$	\$
Project funding received in advance ¹	4,439,164	2,102,827
TOTAL CONTRACT LIABILITY¹	4,439,164	2,102,827

¹The accounting treatment of the revenue received from parties to the FMD Vaccine Acquisition Funding Agreement (2024 – 2029) has been changed in the year ended 30 June 2025 from AASB 1058 (recognising the income on receipt) to AASB15. In accordance with AASB15, the funding for the five year commitment will be recognised over the life of the performance obligation that AHA has to more accurately reflect the agreement that AHA has under the five year FMD Vaccine bank agreement. This recognition matches the amortisation of the inventory asset which remains unchanged. The 2024 comparative figures have been restated to reflect the effect that this change would have had in that period in accordance with AASB 108. If this recognition method had been adopted in the 2023-2024 financial year for the 2019 – 2024 FMD Vaccine Bank, the contract liability balance would have increased by \$271,852 which represents the remaining liability for the 2019 – 2024 FMD Vaccine bank contract to December 2024.

11. LEASE LIABILITIES

	2025	2024
	\$	\$
Current	123,602	111,810
Non-current	1,356,267	1,479,870
TOTAL LEASE LIABILITIES	1,479,869	1,591,680

12. EMPLOYEE BENEFITS

	2025	2024
	\$	\$
Current	407,106	421,086
Non-Current	21,985	19,213
TOTA EMPLOYEE BENEFITS	429,091	440,299
a) Number of employees at year-end	25	24

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 JUNE 2025

13. RECONCILIATION OF CASH FROM OPERATING ACTIVITIES TO OPERATING RESULT

	2025	2024
	\$	\$
Operating result	5,047,990	3,537,163
<i>Non-cash flows in operating result</i>		
<i>depreciation & amortisation</i>	280,348	288,451
<i>distribution income reinvestment</i>	(1,335,329)	(643,355)
<i>fair value adjustment</i>	60,206	(451,067)
<i>other movements</i>		
<i>Net changes in working capital:</i>		
<i>change in inventories</i>	(2,808,232)	501,830
<i>change in trade & other receivables</i>	(868,355)	(267,846)
<i>change in other assets</i>	33,496	51,768
<i>change in trade & other payables</i>	1,176,733	1,689,105
<i>change in unapplied & other program funds</i>	2,336,337	(673,507)
<i>change in lease liability</i>	(111,810)	(100,695)
<i>change in provisions</i>	(11,208)	(71,096)
Net cash generated from operating activities	3,800,176	3,860,751

14. RELATED PARTIES

a. Cattle Disease Contingency Fund Pty Ltd

The Company has a 25% shareholding in Cattle Disease Contingency Fund Pty Ltd (CDCF), a trustee for the Cattle Disease Contingency Fund Trust. The shareholding is in 'B' class shares, meaning the Company is not entitled to any dividends or capital returns. The Company is entitled to appoint a director, and this is included in the CEO's duties. Transactions with the CDCF as trustee were as follows:

	2025	2024
	\$	\$
REVENUE		
Received from CDCF for administrative services	14,059	13,784
Received from CDCF for portfolio management	4,990	10,544
	19,049	24,328

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 JUNE 2025

b. Sheep Industry Health and Welfare Pty Ltd

The Company has a 33.3% shareholding in Sheep Industry Health and Welfare Pty Ltd (SIHW), trustee for the Sheep Industry Health and Welfare Trust. The shareholding is in 'B' class shares, meaning the Company is not entitled to any dividends or capital returns. AHA is entitled to appoint a director, and this is included in the CEO's duties. Transactions with the SIHW as trustee were as follows:

	2025	2024
	\$	\$
REVENUE		
Received from SIHW for administrative services	14,059	13,784
Received from SIHW for portfolio management	4,714	11,569
	18,773	25,353

15. KEY MANAGEMENT PERSONNEL

The Company considers key management personnel for the purposes of accounting standards, as those in positions of influence in the Company, as its Board of Directors and its executive management personnel, as listed below. Directors' and executive management personnel remuneration for the year was \$1,577,904 (2024: \$2,001,022). **The Directors' and executive management personnel remuneration is inclusive of entitlements for employees who ceased employment with AHA during the financial year.*

Dr Samantha Allan – Chief Executive Officer

Peter Dagg (Contractor) – Acting General Manager, Emergency Preparedness, Animal Health & Biosecurity (01/07/2024 – 31/07/2024)

Jackie Poyser (Contractor) – Acting General Manager, Customer, Strategy & Operations (25/10/2023 – 30/06/2025)

Ashley Turner – Company Secretary and Head of Finance (01/ 04/2021 -28/03/2025)

Mark Cozens – General Manager, Emergency Preparedness, Animal Health & Biosecurity (01/10/2024 – 30/06/2025)

Micheal Sykes – General Manager, Customer, Strategy & Operations (13/07/2024 – 14/02/2025)

Jane Brooks – General Manager, Customer, Strategy & Operations (20/01/2025 – 19/05/2025)
 General Manager, Corporate Services (18/05/2025 – 30/06/2025)

Company Secretarial services provided by Boardroom Pty Ltd (Apr 2025 – Jun 2025)

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

for the year ended 30 JUNE 2025

DIRECTORS' DECLARATION

- 1 In the opinion of the directors of Australian Animal Health Council Limited (the Company):
 - (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and other mandatory professional reporting requirements; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The directors have been given declarations equivalent to those required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and General Manager – Customer, Strategy, and Operations for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the Directors:



Malcolm Letts
Chairperson of the Board



Renata Paliskis
Director and
Chair – Audit & Risk Management Committee.

Dated at Canberra, ACT, this 25th day of September 2025

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Australian Animal Health Council Limited for the year ended 30 June 2025, 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
Date: 26 September 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Australian Animal Health Council Limited

Opinion

We have audited the financial report of Australian Animal Health Council Limited (the Company), which comprises the statement of financial position as at 30 June 2025, 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 the Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – *Simplified Disclosures under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 the Company 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 the Company, 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 the Company's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

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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 the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 the Company 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 the Company 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
Date: 26 September 2025