



ANIMAL CONTROL PRODUCTS LIMITED

A State Owned Enterprise



30 JUNE 2024

ANIMAL CONTROL PRODUCTS LIMITED
FINANCIAL REPORTS
FOR THE YEAR ENDED 30 JUNE 2024

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CHAIRMAN'S REVIEW

Orillion has recorded a strong result for the year with steady demand in all market segments spread throughout the year. Total sales for the year were \$15.1m being ahead of budget, although down on last year's record result of \$19.35m.

Domestic predator control operations were undertaken by the Department of Conservation, Zero Invasive Predators and contractors implementing vector control for the Bovine Tuberculosis Pest Management programme. Improvements in precision quality standards, manufacturing specifications and use saw registration of two new 1080 bait products during the year. Pronature 'Wet Forest' and 'Dry Forest' formulations build on decades of experience in aerial bait manufacture to lift the quality and efficacy of aerial 1080 baits. Work on different lures, bird repellents and novel approaches to control of a range of different New Zealand predators was undertaken during the year.

Continued growth was achieved in export sales of rodent products to the Australian market, with Orillion's bait formulations being recognised by pest industry professionals for their superior quality and palatability over competitors' products. New rodent product production equipment is waiting for demand to ease sufficiently to allow installation early in the new financial year. This will increase the range of premium products, flexibility and capacity to meet customer demand, all while improving safety and efficiency.

Orillion remained closely involved with high value biodiversity Island rodent eradication projects around the world. This involved utilisation of our proven formulations, but also trials of several new formulations to tackle unique circumstances where bespoke solutions are required. Development considers a multitude of factors including bait preference, durability, and non-target considerations. Packaging and logistics are key to deliver bait to withstand the harsh conditions of sub-Antarctic islands or the tropical conditions of the Pacific. We were proud to support a 'mini' eradication conference in Palmerston North where many of the world's leading island eradication practitioners met to share their expertise and to compare approaches.

Commercialisation of a rat selective toxin continues, with Orillion purchasing the intellectual property developed by Manaaki Whenua Landcare Research during the year. Successful field trials were completed, and in the later months of the year, we moved to engage a commercial manufacturer of the active ingredient.

The health and safety of our staff and remains a core focus for Orillion. During the year we continued to take opportunities to invest in improvements to product handling, manufacturing and plant safety.



Orillion's New Zealand customers continue to be mostly well pleased with 73.3% providing an overall rating of the company and its products and services as excellent, 22.2% as good and the remainder as satisfactory. This June survey covered 47 respondents and asks detailed questions by an interviewer around products, competency, responsiveness, delivery and how Orillion can better support their business.

Financial performance has exceeded budgeted expectations. Total sales of \$15.1m were achieved against a budget of \$13m. The resulting net profit before tax was \$4.1m against a budget of \$2.8m. Overhead costs were tightly controlled during the year, and steady demand across the whole year and in all market segments produced the strong result. Cash equivalents and short-term investments were higher than budgeted given the profits generated during the year. Orillion was pleased to pay a special dividend to the shareholders over and above the ordinary dividend budgeted for.

Tight financial conditions in New Zealand, combined with the success of current programmes and many being up to date for cyclical control work is likely to curb demand for predator control products in the coming year. Orillion's strategy to diversify our product range and to grow export markets aims to address this.

T D Murdoch
Chair

ANIMAL CONTROL PRODUCTS LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The Board of Directors have pleasure in presenting the Annual Report including audited Financial Statements of the Company for the year ended 30 June 2024.

As required by section 211 of the Companies Act 1993 we disclose the following information:

Principal Activities

There were no changes during the year in the principal activities of the Company as a manufacturer and provider of products and services to maximise the effectiveness of pest management for both public and private sector clients.

Disclosures

T D Murdoch, P J Clarke, S Rickman and M Christensen held office as Directors at the end of the year.

Section 140 of the Companies Act 1993 requires a Director of the Company to disclose to the Board transactions in which they have an interest. There were no transactions with entities related to the Directors during the year.

There were no transactions between the company and interests declared during the year.

Remuneration paid to Directors and meeting attendances were as follows:

| | Fees Paid |
|---------------|-----------|
| T D Murdoch | \$71,195 |
| P J Clarke | \$23,598 |
| S Rickman | \$23,598 |
| M Christensen | \$23,598 |

Director Attendance at Meetings Held:

| | Number of meetings attended | | | | Total Possible Meetings |
|---------------|-----------------------------|---------------|---------|-------|-------------------------|
| | Board | Sub Committee | Special | Total | |
| T D Murdoch | 4 | 1 | 0 | 5 | 8 |
| P J Clarke | 5 | 3 | 0 | 8 | 8 |
| S Rickman | 5 | 3 | 0 | 8 | 8 |
| M Christensen | 5 | 3 | 0 | 8 | 8 |

Three employees received remuneration and other benefits of more than \$100,000 during the year.

| Total Remuneration Paid or Payable | No. of Employees |
|------------------------------------|------------------|
| \$120,000 - \$129,999 | 1 |
| \$190,000 - \$199,999 | 1 |
| \$400,000 - \$409,999 | 1 |

Total remuneration of the Chief Executive for the year was \$408,021.

Audit fees of \$50,270 were incurred for the year to Audit New Zealand.

Directors' Liability Insurance

The Company maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company.

Dividend

A dividend of \$2,150,000 was declared and paid during the year.

For and on behalf of the Board



T D Murdoch
Chairman



P J Clarke
Director

Independent Auditor's Report

To the readers of Animal Control Product Limited's group financial statements for the year ended 30 June 2024

The Auditor-General is the auditor of Animal Control Product Limited group (the Group). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 9 to 26, that comprise the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cashflows for the year ended on that date and the notes to the consolidated financial statements that include material accounting policy information and other explanatory information.

In our opinion the financial statements of the Group:

- present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

Our audit was completed on 2 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Director's responsibilities arise from the State-Owned Enterprises Act 1986.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Group's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and the performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 4, and 27 to 30, but does not include the financial statements, and our auditor's report thereon.

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

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

materially misstated. If, based on our work, 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.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standards 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Group.

A handwritten signature in black ink, appearing to read "Chris Webby". The signature is written in a cursive, flowing style.

Chris Webby
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

ANIMAL CONTROL PRODUCTS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

| | Note | Actual 2024 | Budget 2024 | Actual 2023 |
|--|------|--------------------|--------------------|--------------------|
| REVENUE FROM CONTRACTS WITH CUSTOMERS | | 15,109,424 | 13,040,000 | 19,301,376 |
| COST OF SALES | | (5,723,358) | (4,824,800) | (6,674,645) |
| DIRECT COSTS | 5 | (3,550,201) | (2,756,961) | (3,477,671) |
| GROSS PROFIT | | 5,835,865 | 5,458,239 | 9,149,060 |
| Gross Profit% | | 38.6% | 41.9% | 47.4% |
| OTHER INCOME | 5 | 397,010 | 291,051 | 275,445 |
| OVERHEADS | 5 | (2,139,785) | (2,946,151) | (1,958,682) |
| NET PROFIT BEFORE INCOME TAX | | 4,093,090 | 2,803,139 | 7,465,823 |
| INCOME TAX EXPENSE | 11 | (1,274,084) | (784,879) | (2,091,296) |
| PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS | | 2,819,006 | 2,018,260 | 5,374,527 |
| OTHER COMPREHENSIVE INCOME | | 0 | 0 | 0 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS | | \$2,819,006 | \$2,018,260 | \$5,374,527 |

This Statement is to be read in conjunction with the accompanying Accounting Policies and Notes to the Financial Statements.

ANIMAL CONTROL PRODUCTS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

| | Note | Actual 2024 | Budget 2024 | Actual 2023 |
|----------------------------------|------|---------------------|---------------------|---------------------|
| Share Capital | | | | |
| Opening Share Capital | | 100 | 100 | 100 |
| Closing Share Capital | 14 | <u>100</u> | <u>100</u> | <u>100</u> |
| Retained Earnings | | | | |
| Opening Retained Earnings | | 14,016,584 | 14,098,600 | 9,242,057 |
| Total Comprehensive Income | | 2,819,006 | 2,018,260 | 5,374,527 |
| Dividends Paid | | <u>(2,150,000)</u> | <u>(1,150,000)</u> | <u>(600,000)</u> |
| Closing Retained Earnings | | <u>14,685,589</u> | <u>14,966,860</u> | <u>14,016,584</u> |
| Capital Reserve | | | | |
| Opening Balance | | 1,617,486 | 1,617,486 | 1,617,486 |
| Closing Balance | 15 | <u>1,617,486</u> | <u>1,617,486</u> | <u>1,617,486</u> |
| TOTAL EQUITY | | <u>\$16,303,175</u> | <u>\$16,584,446</u> | <u>\$15,634,170</u> |

This Statement is to be read in conjunction with the accompanying Accounting Policies and Notes to the Financial Statements.

ANIMAL CONTROL PRODUCTS LIMITED


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | Actual 2024 | Budget 2024 | Actual 2023 |
|--------------------------------------|------|---------------------|---------------------|---------------------|
| CURRENT ASSETS | | | | |
| Cash & Cash Equivalents | 6 | 5,346,402 | 7,286,423 | 3,635,577 |
| Short Term Investments | 7 | 3,600,000 | 0 | 5,100,000 |
| Trade & Other Receivables | | 1,229,982 | 1,614,703 | 1,046,982 |
| Accrued Interest | | 10,814 | 0 | 54,199 |
| Prepayments & Deposits Paid | | 88,095 | 450,000 | 766,473 |
| Inventory | 8 | 2,236,399 | 2,731,333 | 2,541,779 |
| Total Current Assets | | 12,511,692 | 12,082,459 | 13,145,010 |
| NON-CURRENT ASSETS | | | | |
| Non Current Inventory | 8 | 1,458,718 | 1,586,404 | 1,165,398 |
| Property, Plant & Equipment | 9 | 4,570,726 | 4,508,777 | 3,704,720 |
| Intangible Assets | 10 | 639,411 | 0 | 0 |
| Total Non-Current | | 6,668,855 | 6,095,181 | 4,870,118 |
| TOTAL ASSETS | | 19,180,548 | 18,177,640 | 18,015,128 |
| CURRENT LIABILITIES | | | | |
| GST Due for payment | | 145,550 | 146,757 | 139,445 |
| Taxation | 11 | 565,332 | 193,279 | 114,648 |
| Trade Payables | | 1,305,022 | 772,996 | 1,111,331 |
| Other Payables & Customer Deposits | | 309,048 | 51,763 | 546,290 |
| Employee Entitlements | | 290,516 | 272,290 | 329,148 |
| Total Current Liabilities | | 2,615,468 | 1,437,085 | 2,240,862 |
| NON-CURRENT LIABILITIES | | | | |
| Deferred Tax Liability | 12 | 261,904 | 156,109 | 140,096 |
| Total Non-Current Liabilities | | 261,904 | 156,109 | 140,096 |
| TOTAL LIABILITIES | | 2,877,373 | 1,593,194 | 2,380,958 |
| NET ASSETS | | \$16,303,175 | \$16,584,446 | \$15,634,170 |
| Represented by; | | | | |
| EQUITY | | | | |
| Share Capital | 14 | 100 | 100 | 100 |
| Reserves | 15 | 1,617,486 | 1,617,486 | 1,617,486 |
| Retained Earnings | | 14,685,589 | 14,966,860 | 14,016,584 |
| TOTAL EQUITY | | \$16,303,175 | \$16,584,446 | \$15,634,170 |

These financial statements are authorised for issue on behalf of the board by:

Director



2 September 2024

Director



2 September 2024

This Statement is to be read in conjunction with the accompanying Accounting Policies and Notes to the Financial Statements.

ANIMAL CONTROL PRODUCTS LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2024

| | Note | Actual 2024 | Budget 2024 | Actual 2023 |
|---|------|--------------------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash was provided from: | | | | |
| Receipts from Customers | | 14,661,546 | 14,266,455 | 19,609,435 |
| Interest Received | | 411,768 | 291,051 | 213,884 |
| Other Income | | 32,881 | 201,983 | 0 |
| Net GST Received | | 7,500 | 0 | 134,097 |
| Total | | <u>15,113,695</u> | <u>14,759,489</u> | <u>19,957,416</u> |
| Cash was applied to: | | | | |
| Payments to Suppliers & Employees | | 10,938,939 | 12,371,839 | 12,124,843 |
| Net GST Paid | | 0 | 584,284 | 0 |
| Net Taxation Paid | | 701,592 | 593,764 | 2,112,572 |
| Total | | <u>11,640,531</u> | <u>13,549,887</u> | <u>14,237,415</u> |
| Net Cash Flow/ (Outflow) from Operating Activities | | <u>3,473,164</u> | <u>1,209,602</u> | <u>5,720,001</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Cash was provided from: | | | | |
| Term Deposit Maturities | | 1,500,000 | 0 | 0 |
| Sale of Fixed Assets | | 0 | 0 | 0 |
| Total | | <u>1,500,000</u> | <u>0</u> | <u>0</u> |
| Cash was applied to: | | | | |
| Term Deposit | | 0 | 0 | 3,500,000 |
| Deposits on Fixed Assets | | 0 | 0 | 728,340 |
| Purchase of Fixed Assets | | 443,047 | 1,105,366 | 882,380 |
| Purchase of Patents & IP | | 669,291 | 0 | 0 |
| Total | | <u>1,112,338</u> | <u>1,105,366</u> | <u>5,110,720</u> |
| Net Cash (Outflow) from Investing Activities | | <u>387,662</u> | <u>(1,105,366)</u> | <u>(5,110,720)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Cash was applied to: | | | | |
| Dividends Paid | | 2,150,000 | 1,150,000 | 600,000 |
| Net Cash (Outflow) from Financing Activities | | <u>(2,150,000)</u> | <u>(1,150,000)</u> | <u>(600,000)</u> |
| Net (Decrease) / Increase in Cash & Cash Equivalents Held | | 1,710,826 | (1,045,764) | 9,281 |
| Add: Cash & Cash Equivalents at start of year | | 3,635,576 | 8,332,187 | 3,626,295 |
| CASH & CASH EQUIVALENTS AT YEAR END | | <u>\$5,346,402</u> | <u>\$7,286,423</u> | <u>\$3,635,576</u> |

This Statement is to be read in conjunction with the accompanying Accounting Policies and Notes to the Financial Statements.

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

(i) Statement of Compliance

The financial statements presented here are for the entity Animal Control Products Limited, a registered company under the Companies Act 1993 and its subsidiary (collectively the Group). Animal Control Products Limited is a state-owned enterprise, wholly owned on behalf of the Government by the shareholding Ministers, the Minister for Biosecurity and the Minister of Finance. The purpose of the business is the manufacture, sale and provision of products and services to maximise the effectiveness of pest management for public and private sector clients, both within New Zealand and offshore.

The Group has elected to report under NZ IFRS - Reduced Disclosure Regime of the External Reporting Board as the company is a for-profit Tier 2 entity for financial reporting purposes on the basis that it does not have public accountability and is not a large for-profit public sector entity. In adopting NZ IFRS RDR, the company has taken advantage of a number of disclosure concessions. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 2013.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The consolidated financial statements were authorised for issue by the Board on 2 September 2024.

(ii) Basis of Measurement

The consolidated financial statements have been prepared on a historic cost basis.

(iii) Functional and Presentation Currency

These financial statements are presented in New Zealand Dollars (NZD) as the functional currency of the company. Values are rounded to the nearest dollar.

(iv) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls the investee if, and only if, the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

Exposure, or rights, to variable returns from its involvement with the investee

The ability to use its power over the investee to affect its return

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangements with the other vote holders of the investee

Rights arising from other contractual arrangements

The Group's voting rights and potential voting rights

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. Any intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue from Contracts with Customers

Income from the sales of goods is recognised when control of the goods has transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods before transferring them to the customer.

The Group considers whether there are any other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, customer loyalty points). In determining the transaction price for the sale of product, the Group considers there are no effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer.

The Group's revenue from customers is derived from a single major product line, pest control solutions, to predominantly the New Zealand market. Predominantly, customer terms of trade require payment of invoices by the 20th of the month following.

Interest Revenue

Interest revenue is recognised using the effective interest method.

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(b) Property, Plant & Equipment

Property, Plant and Equipment are recorded in the Statement of Financial Position at cost less accumulated depreciation and any accumulated impairment losses. Land is carried at cost.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income in the period the transaction occurred.

Depreciation has been calculated on assets using the straight line method based on the remaining useful life of the asset. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The expected useful lives of the major classes of assets are:

| | |
|-------------------|-------------|
| Buildings | 40 Years |
| Factory Equipment | 10-15 Years |
| Lab Equipment | 5 Years |
| Office Equipment | 5 Years |
| Motor Vehicles | 5 Years |

(c) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis. All items in the Statement of Financial Position are stated net of GST, with the exception of Accounts Receivable and Accounts Payable which includes GST invoiced.

(d) Income Tax

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have substantially been enacted at reporting date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Income tax expense is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(e) Inventories

Inventories are recognised at the lower of cost, determined on an average costing basis, and net realisable value with appropriate provisions for losses and obsolescence.

Inventory intended to be kept for more than one year has been classified as non-current inventory.

(f) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(g) Research & Development Costs

Research costs are brought to account in the Statement of Comprehensive Income in the period incurred.

(h) Cash & Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents are considered to be on hand and in banks, net of bank overdrafts. In addition cash flows from certain items are disclosed net, due to the nature of the transaction involved.

(i) Investments

Investments are stated at cost less any amortisation. Amortisation is recognised in the Statement of Comprehensive Income.

(j) Intangibles

Software Acquisition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Patent & Intellectual Property

Acquired patents and associated intellectual property are capitalised on the basis of the purchase price.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of the acquired software is estimated as follows:

| | | |
|---------------------------------|------------|--------|
| Software | 5 Years | 20% |
| Patents & Intellectual Property | 9.33 years | 10.71% |

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(k) Impairment

The carrying amounts of the group's assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amounts are estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Comprehensive Income.

(l) Employee Entitlements

Accrued Wages

Accrued wages are calculated based on the amounts owing to employees for work carried out that had not been paid at balance date.

Annual Leave

Annual leave is calculated based on employees entitlements to annual leave earned in the current and prior periods that had not been paid at balance date.

Long Service Leave

The group's net obligation in respect of long service leave is the amount of benefit that employees have earned in return for their service in the current and prior periods. This has been calculated on an actuarial basis.

Sick Leave

A provision for sick leave is calculated based on the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent that the group anticipates it will be used by staff to cover those future absences.

(m) Foreign Exchange

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction or a rate approximating that rate. Monetary assets and liabilities denominated in foreign currencies in the Statement of Financial Position are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Comprehensive Income.

(n) Financial Instruments

Financial instruments include cash & cash equivalents, receivables and payables. These are initially measured at fair value and subsequently measured at cost less impairment which in the majority of cases is the same as the face value of the items.

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(o) Critical Accounting Estimates and Assumptions

In preparing these financial statements the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period are set out below:

Property, Plant and Equipment useful lives and residual value.

At each balance date management and the board of the Group reviews the residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of assets to be considered.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the Statement of Comprehensive Income, and the carrying amount in the Statement of Financial Position.

Animal Control Products Limited minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

The board confirmed that the useful life of buildings is 40 years, factory equipment is 10-15 years and other plant and equipment is 5 years. There have been no significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 9.

(p) Critical Judgements in Applying Accounting Policies

There have been no critical judgements applied by management in applying the Groups accounting policies for the period ended 30 June 2024.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

3. CONTINGENCIES

At balance date there are no known contingent assets or liabilities (2023: \$Nil).

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

4. STATEMENT OF COMMITMENTS

As at 30 June 2024 there were no Lease Commitments (2023: \$Nil).

At balance date, there were capital commitments of \$25,500 (2023: \$249,000).

At balance date the company had placed a firm order for raw materials to the value of \$617,250 (2023: \$567,000).

5. NET SURPLUS BEFORE INCOME TAX

| | 2024 | 2023 |
|--------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Direct Costs consist of: | | |
| Direct Wages | 1,037,133 | 938,161 |
| Freight & Packaging | 1,607,074 | 1,586,275 |
| Repairs and Maintenance of Equipment | 222,760 | 256,645 |
| Depreciation | 280,149 | 282,838 |
| Other Direct Expenses | 403,085 | 413,753 |
| Total Direct Expenses | <u>\$3,550,201</u> | <u>\$3,477,671</u> |
| Other Income consists of: | | |
| Interest Received | 368,383 | 259,897 |
| Foreign Exchange Gain | 28,626 | 0 |
| Sundry Income | 0 | 15,547 |
| Total Other Income | <u>\$397,010</u> | <u>\$275,445</u> |
| | 2024 | 2023 |
| | \$ | \$ |
| Overheads consist of: | | |
| Amortisation of Intangibles | 29,880 | 0 |
| Audit of Financial Statements | 53,596 | 50,996 |
| Depreciation | 25,232 | 18,328 |
| Directors' Fees | 145,152 | 145,348 |
| Donations | 0 | 0 |
| Insurance | 185,392 | 139,144 |
| Loss on disposal of assets | 0 | 87 |
| Employee Benefits | 679,074 | 655,560 |
| Research & Development | 555,786 | 442,671 |
| Other Expenses | 465,673 | 506,547 |
| Total Operating Expenses | <u>\$2,139,785</u> | <u>\$1,958,682</u> |

ANIMAL CONTROL PRODUCTS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

| | 2024 | 2023 |
|---|--------------------|--------------------|
| 6. CASH & CASH EQUIVALENTS | \$ | \$ |
| Bank of New Zealand Cheque Account | 8,209 | 273,976 |
| Bank of New Zealand Imprest | 10,301 | 8,619 |
| Bank of New Zealand Autocall | 5,309,530 | 3,334,786 |
| Bank of New Zealand Customer Deposits | 14,078 | 13,578 |
| Petty Cash Imprest | 100 | 100 |
| Bank of New Zealand Foreign Currency Account | 0 | 0 |
| Equilibrium Chartered Accountants Limited Trust Account | 4,185 | 4,518 |
| TOTAL CASH & CASH EQUIVALENTS | \$5,346,402 | \$3,635,577 |

| | 2024 | 2023 |
|-------------------------------------|--------------------|--------------------|
| 7. SHORT TERM INVESTMENTS | \$ | \$ |
| Bank of New Zealand Term Deposits | 3,600,000 | 5,100,000 |
| TOTAL SHORT TERM INVESTMENTS | \$3,600,000 | \$5,100,000 |

| | 2024 | 2023 |
|------------------------|--------------------|--------------------|
| 8. INVENTORY | \$ | \$ |
| Finished Goods | 475,302 | 646,131 |
| Raw Materials | 3,219,815 | 3,061,045 |
| TOTAL INVENTORY | \$3,695,117 | \$3,707,176 |

Prior year inventory has been reclassified to correctly disclose the raw material amount.

No inventories are specifically and separately pledged as security for liabilities. Inventories are generally subject to retention of title clauses.

| | 2024 | 2023 |
|--|--------------------|--------------------|
| Total stock on hand comprised the following split: | \$ | \$ |
| Current Assets | 2,236,399 | 2,541,778 |
| Non Current Assets | 1,458,718 | 1,165,398 |
| TOTAL INVENTORY | \$3,695,117 | \$3,707,176 |

| | 2024 | 2023 |
|---|------------------|------------------|
| 9. PROPERTY, PLANT & EQUIPMENT | \$ | \$ |
| Land | | |
| At Cost | 573,656 | 573,656 |
| Closing Carrying Value | \$573,656 | \$573,656 |
| Opening Carrying Value | 573,656 | 50,218 |
| Purchases | | 523,438 |
| Closing Carrying Value | \$573,656 | \$573,656 |

ANIMAL CONTROL PRODUCTS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

| | 2024 | 2023 |
|---|--------------------|--------------------|
| Buildings | | |
| At Cost | 2,738,864 | 2,738,864 |
| Accumulated Depreciation | (1,257,735) | (1,193,441) |
| Cost Price of Assets Disposed | 0 | 0 |
| Accumulated Depreciation on Assets Disposed | 0 | 0 |
| Carrying Value | \$1,481,129 | \$1,545,423 |
| | | |
| Opening Carrying Value | 1,545,423 | 1,609,716 |
| Purchases | 0 | 0 |
| Depreciation | (64,294) | (64,293) |
| Gain/Loss on Disposal | 0 | 0 |
| Closing Carrying Value | \$1,481,129 | \$1,545,423 |
| | | |
| Motor Vehicles | | |
| | \$ | \$ |
| At Cost | 81,752 | 116,604 |
| Accumulated Depreciation | (28,849) | (34,573) |
| Cost Price of Assets Disposed | 0 | (34,853) |
| Accumulated Depreciation on Assets Disposed | 0 | 22,074 |
| Carrying Value | \$52,903 | \$69,253 |
| | | |
| Opening Carrying Value | 69,253 | 52,733 |
| Purchases | 0 | 39,695 |
| Sales | 0 | (27,826) |
| Depreciation | (16,350) | (10,396) |
| Gain/Loss on Disposal | 0 | 15,047 |
| Closing Carrying Value | \$52,903 | \$69,253 |
| | | |
| Lab Equipment | | |
| At Cost | 257,168 | 257,168 |
| Accumulated Depreciation | (249,726) | (245,980) |
| Cost Price of Assets Disposed | 0 | 0 |
| Accumulated Depreciation on Assets Disposed | 0 | 0 |
| Carrying Value | \$7,443 | \$11,189 |
| | | |
| Opening Carrying Value | 11,189 | 7,575 |
| Purchases | 0 | 7,805 |
| Depreciation | (3,746) | (4,190) |
| Closing Carrying Value | \$7,443 | \$11,189 |

ANIMAL CONTROL PRODUCTS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

| | 2024 | 2023 |
|--|--------------------|--------------------|
| Office Equipment | | |
| At Cost | 118,162 | 100,965 |
| Accumulated Depreciation | (87,758) | (83,981) |
| Cost Price of Assets Disposed | 0 | (5,194) |
| Accumulated Depreciation on Assets Disposed | 0 | 5,107 |
| Carrying Value | \$30,404 | \$16,897 |
| | | |
| Opening Carrying Value | 16,897 | 17,992 |
| Purchases | 22,391 | 6,924 |
| Sales | 0 | 0 |
| Depreciation | (8,884) | (7,932) |
| Loss on Disposal | 0 | (87) |
| Closing Carrying Value | \$30,404 | \$16,897 |
| | | |
| Plant & Equipment | | |
| | \$ | \$ |
| At Cost | 5,298,205 | 4,166,581 |
| Accumulated Depreciation | (2,873,014) | (2,677,779) |
| Cost Price of Assets Disposed | 0 | (17,850) |
| Accumulated Depreciation on Assets Disposed | 0 | 17,350 |
| Carrying Value | \$2,425,191 | \$1,488,302 |
| | | |
| Opening Carrying Value | 1,488,302 | 1,369,812 |
| Purchases | 1,149,000 | 332,345 |
| Depreciation | (212,110) | (214,355) |
| Loss on disposal | 0 | 500 |
| Closing Carrying Value | \$2,425,191 | \$1,488,302 |
| | | |
| Total Property, Plant & Equipment | \$4,570,726 | \$3,704,723 |
| | | |
| 10. INTANGIBLE ASSETS | 2024 | 2023 |
| | \$ | \$ |
| Patents & IP | | |
| At Cost | 669,290 | 0 |
| Accumulated Depreciation | (29,879) | 0 |
| Carrying Value | 639,411 | 0 |
| | | |
| Opening Carrying Value | 0 | 0 |
| Purchases | 669,290 | 0 |
| Depreciation | (29,879) | 0 |
| Closing Carrying Value | 639,411 | 0 |

ANIMAL CONTROL PRODUCTS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

11. TAXATION

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Net Surplus | 4,093,090 | 7,465,823 |
| Non Deductible Expenses | 3,610 | 3,093 |
| Taxable income | \$4,096,701 | \$7,468,916 |
| Tax @ 28% | 1,147,076 | 2,091,296 |
| Less Increase in deferred tax on buildings | 127,008 | 0 |
| Prima Facie Taxation Expense | \$1,274,084 | \$2,091,296 |
| Comprising | | |
| Current Tax | 1,152,276 | 2,107,310 |
| Deferred Taxation | 121,808 | (16,014) |
| Income Tax Expense | \$1,274,084 | \$2,091,296 |
| Tax Calculation | 1,152,276 | 2,107,310 |
| Less: | | |
| Resident Withholding Tax | (117,283) | (59,879) |
| Provisional Tax Paid | (469,496) | (1,932,783) |
| Terminal Tax paid | (114,812) | (119,910) |
| Balance Brought Forward | 114,648 | 119,910 |
| Total tax to pay / (Refund) | \$565,333 | \$114,648 |

12. DEFERRED TAX

Taxable and Deductible temporary differences arise from the following:

| | Property, Plant & Equipment | Employee Entitlements | Revenue | Total |
|--------------------------------|--------------------------------|--------------------------|------------|--------------------|
| Balance at 30 June 2022 | (198,101) | 41,992 | 0 | (156,109) |
| Charged to Income | 10,187 | 5,826 | | 16,013 |
| Balance at 30 June 2023 | (187,914) | 47,818 | 0 | (140,096) |
| Charged to Income | (116,171) | (5,637) | | (121,808) |
| Balance at 30 June 2024 | \$(304,085) | \$42,181 | \$0 | \$(261,904) |

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

13. FINANCIAL INSTRUMENTS

There is no impairment to trade receivables (2023: Nil).

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

| | 2024 | 2023 |
|---|-----------|-----------|
| | \$ | \$ |
| <u>Financial assets measured at amortised cost</u> | | |
| Cash & cash equivalents | 5,346,402 | 3,635,577 |
| Short term investments | 3,600,000 | 5,100,000 |
| Receivables | 1,229,979 | 1,046,982 |
| <u>Financial liabilities measured at amortised cost</u> | | |
| Payables (excluding income in advance & taxes payable) | 1,741,089 | 1,986,770 |

14. SHARE CAPITAL

| | 2024 | 2023 |
|---------------------------------|------|------|
| | \$ | \$ |
| 100 Ordinary Shares (2023: 100) | 100 | 100 |

At Balance Date, 100 shares have been fully paid. The shares have no par value.

All shares have equal voting rights and share equally in dividends and surplus on winding up.

15. RESERVES

| | 2024 | 2023 |
|------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Capital Reserve | | |
| Balance at Beginning of Year | 1,617,486 | 1,617,486 |
| Balance at End of Year | <u>\$1,617,486</u> | <u>\$1,617,486</u> |

16. CAPITAL MANAGEMENT

The Group's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Group is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisitions of securities, issuing guarantees and indemnities and the use of derivatives.

The Group manages its equity as a by-product of prudently managing reserves, expenses, assets, liabilities, investments, and general financial dealing to ensure that the Group effectively achieves its objectives and purpose, whilst remaining as a going concern.

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

17. RELATED PARTIES

During the period there have been material transactions between the group and related parties as follows:

Compensation of Key Management Personnel:

During the year short term benefits including salary, bonuses and fees totalled \$895,824 (2023: \$822,987). There was no other compensation received during the year.

Other Related Parties:

During the year Animal Control Products traded with other entities owned by the Crown. All transactions were carried out on standard commercial terms.

Transactions carried out with related parties during the year were sale of goods totalling \$6,050,454 (2023: \$9,995,926).

Goods and services purchased from related parties were \$902,789 (2023: \$194,544).

At Balance date the following amounts were owed to and from Animal Control Products with Related Parties:

| | 2024 | 2023 |
|---|-------------|-------------|
| | \$ | \$ |
| Related Party Receivables | 175,512 | 398,472 |
| Related Party Payables | 356 | 1,005 |
| Related Party Deposits Received & Income in Advance | 161,956 | 417,312 |

18. POST BALANCE DATE EVENTS

There are no post balance date events that may affect these financial statements.

19. GROUP INFORMATION

The consolidated financial statements of the Group includes PestOff South Africa Pty Limited and Pest Control Innovations Limited (formerly DR8 Limited). PestOff was incorporated on 5 February 2019 in South Africa and is wholly owned by Animal Control Products Limited. Pest Control Innovations Limited was incorporated on 29 September 2022 in New Zealand. Neither company has traded and neither have any assets or liabilities as at 30 June 2024.

ANIMAL CONTROL PRODUCTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

20. EXPLANATION OF SIGNIFICANT VARIANCE AGAINST BUDGET

Explanations for significant variation from the budgeted figures in the statement of intent are as follows:

Statement of Comprehensive Income

Sales for the year exceeded budget due to higher than expected activities undertaken by DOC and increased export sales to Australia.

Higher raw material and packaging costs have resulted in the gross profit % being less than budgeted. A higher level of gross profit has been earned as compared to budget, despite the increased costs due to the higher level of sales.

Overhead costs continued to be very carefully monitored and controlled. With the exception of both salary costs and product and market development, other costs are broadly in line with budget. Product and market development costs are lower than budget as a result of the delays in the DR8 development. Salary costs are lower than budget due to the timing of the employment of an additional staff member during the year.

The net profit before tax records a significant positive variance to budget due to the factors above.

Statement of Financial Position

Cash equivalents and short term investments are higher than budget due to the higher actual opening position for the year and the higher level of profitability achieved in the current financial year, as well as timing delays in the DR8 development.

Statement of Changes in Equity

Equity is slightly lower than budget due to the payment of a special dividend during the year.

Statement of Changes in Cash Flows

Net cash inflows from operations were higher than budgeted due to the higher level of profitability achieved.

Investment cash out flows were significantly lower than budgeted due to the decrease in term deposits.

Dividends paid were higher than budgeted.

The closing balance of cash and cash equivalents and short term deposits are higher than budget due to the factors above.

ANIMAL CONTROL PRODUCTS LIMITED

PERFORMANCE ASSESSMENT

FOR THE YEAR ENDED 30 JUNE 2024

The Group's financial performance is, to some extent, gauged by reference to financial performance targets contained within the 2024-2026 Statement of Corporate Intent (SCI):

Financial Measures

| | 2024 SCI Target | | 2,023 |
|--|-----------------|----------|---------|
| <i>Shareholder Returns</i> | | | |
| Total Shareholder Return | -16.79% | 6.91% | 34.83% |
| Dividend Yield | 15.17% | 6.91% | 4.27% |
| Return on Equity | 17.65% | 12.50% | 40.58% |
| <i>Profitability & Efficiency</i> | | | |
| Net Operating Margin | 26.87% | 26.18% | 38.85% |
| Return on Assets | 20.06% | 17.21% | 47.22% |
| Return on Capital Employed | 23.33% | 19.16% | 54.34% |
| <i>Financial Leverage/Solvency</i> | | | |
| Gearing Ratio | 0.00% | 0% | 0% |
| Interest Cover | N/A | N/A | N/A |
| Solvency | 4.8 | 8.4 | 5.9 |
| <i>Growth & Investment</i> | | | |
| Revenue Growth | (21.72)% | (31.39)% | 112.20% |
| Earnings Growth | (45.85)% | (57.41)% | 204.80% |
| Profit Growth | (47.55)% | (63.01)% | 241.10% |
| Capital Renewal | 1.5 | 4.0 | 2.9 |

Non-Financial Measures

Health and Safety

SCI Target.

The target is to have no work-related lost time injuries for the year.

Actual result.

There were no lost time work related injuries during the year.

ANIMAL CONTROL PRODUCTS LIMITED

PERFORMANCE ASSESSMENT

FOR THE YEAR ENDED 30 JUNE 2024

Quality

SCI Target.

The target for product quality is for 100% of all products dispatched to customers to meet

Actual Result.

100% of products shipped to customers met the specifications included in the product release form.

Customer Satisfaction

SCI Target.

Customer satisfaction is surveyed annually. Specific targets are for ratings of 'good' or 'excellent' are

Product Quality 95%

The quality of our packaging 95%

Adequacy of printed information on packaging 95%

Receipt of orders on time 95%

Customer Service 95%

Actual Result.

The customer survey conducted during the year confirmed the following results:

Product Quality 95.6%

The quality of our packaging 91.5%

Adequacy of printed information on packaging - not measured in 2024 survey

Receipt of orders on time 95.4%

Customer Service 95.5%

Legislative Compliance

SCI Target.

ACP will meet all legislative requirements during the year.

Actual Result.

The company met all legislative requirements during the year.

Carbon Emissions

The company measures carbon emissions and participates in the Carbon Neutral Government programme. Emissions reporting is independently verified by Toitu Envirocare.

| | 2024 | 2023 |
|--|-------|-------|
| Actual Result tCO ₂ e | | |
| Total Gross Emissions | 313 | 405 |
| Total Gross Emissions per \$m of revenue | 20.76 | 20.96 |
| Emissions tracked by CNGP | 128 | 147 |
| 2023 is the base year for CNGP emission tracking | | |

ANIMAL CONTROL PRODUCTS LIMITED
COMPANY DIRECTORY
FOR THE YEAR ENDED 30 JUNE 2024

| | | |
|-----------------------|---|--------------------|
| Registered Office | 6th Floor 111 The Terrace Wellington | |
| Directors | T D Murdoch (Appointed 1 May 2014) P J Clarke (Appointed 1 November 2015) S Rickman (Appointed 1 October 2019) M R G Christensen (Appointed 1 November 2019) | |
| Company Number | 441007 | |
| Auditors | Audit New Zealand on behalf of the Auditor-General | |
| Date of Incorporation | 5 July 1989 and reregistered under the Companies Act 1993 on 8 August 1996 | |
| Bankers | Bank of New Zealand | |
| Shareholders | Minister of Finance | 50 Ordinary shares |
| | Minister for Biosecurity | 50 Ordinary shares |
| | | <u>100</u> |

ANIMAL CONTROL PRODUCTS LIMITED

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2024

In the financial year ended 30 June 2024 the Board and management of Animal Control Products Limited were responsible for:

* The preparation of the financial statements and the judgements used therein

* Establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting

In the opinion of the Board and management of Animal Control Products Limited, the financial statements including the performance assessment against the Statement of Corporate Intent for the financial year fairly reflect the financial position and operations of Animal Control Products Limited.



Chairman

2 September 2024



Director

2 September 2024