



# Consolidated Financial Report

For the year ended  
30 June 2025





#### Directors

A D Cleland (*Chair – appointed 22 November 2024*)

N P Davies-Colley

S M Huria

M B D James

A P L Guilleux (*appointed 1 November 2024*)

H L Martyn (*appointed 1 November 2024*)

M A Todd (*appointed 1 November 2024*)

L E Cullen (*appointed 22 November 2024*)

P H S Reynolds (*Chair – resigned 18 October 2024*)

J R Parsons (*resigned 22 November 2024*)

F D Wilson (*Chair from 24 October 2024 to  
21 March 2025, resigned 1 April 2025*)

#### Registered Office

Level 9, 15 Willeston Street  
Wellington, New Zealand

#### Charity Registration Number

CC49247

#### Auditor

BDO Wellington Audit Limited  
Wellington, New Zealand

#### Solicitor

Chapman Tripp  
Wellington, New Zealand

#### Banker

Westpac New Zealand Limited  
Wellington, New Zealand

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# Consolidated Statement of Service Performance

For the year ended 30 June 2025

The following is a description of OSPRI New Zealand Limited's ('OSPRI') strategic outcomes: TBfree New Zealand Limited's ('TBfree') overall outcome is to continually reduce and ultimately eradicate bovine tuberculosis (TB) from cattle and deer by 2026, possums by 2040 and biological eradication of TB by 2055. National Animal Identification and Tracing (NAIT) Limited ('NAIT') is committed to ensuring all cattle and deer are recorded and traced effectively throughout their lives. *M. bovis* Free New Zealand Limited's ('*M. bovis*') overall outcome is to eradicate *Mycoplasma bovis* from New Zealand. Operational work centres on surveillance of the national herd through continued milk and abattoir testing, ready to manage properties if cattle are infected and supporting affected farmers.

This report has been prepared in accordance with Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) Service Performance Reporting. The Board of OSPRI believes that the statements contained in this report accurately reflect the overall performance of OSPRI for the year ended 30 June 2025.

| Outputs                                                                                                 | Measures                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2025 Outcome | 2024 Outcome |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>The number of bovine TB infected status cattle or deer herds.</b>                                    | The infected herd status is recorded in OSPRI Operational Management System (OOMS) and stored in OSPRI databases. It is accessed via a Power BI tool and reports directly out of OOMS. Numbers were recorded at 30 June.<br>Target as at 30 June 2025: 4                                                                                                                                                                                   | 15           | 15           |
| <b>The total net hectares of TB Vector Risk Area declared free of bovine TB in each financial year.</b> | Number of net hectares (within +/- 5%) where eradication has been achieved and reclassified from a vector-risk area (areas where wildlife has been or remains infected with TB) to a vector-free area.<br>This is an annual assessment by an independent panel and confirms whether we have proved, to 95% probability, the eradication of TB infection from vector-risk areas.                                                            | 249,615      | 200,526      |
| <b>Completion of planned vector operations contracts in the financial year on time.</b>                 | Percentage of vector operation projects completed during the year on time.                                                                                                                                                                                                                                                                                                                                                                 | 74%          | 69%          |
| <b>Completion of planned vector operations contracts in the financial year within budget.</b>           | Percentage of vector operation projects completed during the year within budget.                                                                                                                                                                                                                                                                                                                                                           | 85%          | 85%          |
| <b>Annual infected herd period prevalence.</b>                                                          | Annual period prevalence of TB infection in deer and cattle herds as a percentage of herds. Period prevalence is calculated by the total number of infected herds in a given period divided by non-infected herds (non-infected herds at the beginning of the financial year, plus non-infected herds at the end of the financial year, divided by two). The calculation inputs are from OOMS.<br>Target for year ended 30 June 2025: 0.2% | 0.04%        | 0.04%        |

| Outputs                                                                                                          | Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2025 Outcome      | 2024 Outcome       |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|
| <b>Percentage of NAIT animals that are registered in the NAIT system prior to their first off-farm movement.</b> | This measure shows where an animal was registered in the NAIT system prior to being recorded in an animal movement. Persons in Charge of Animals (PICAs) are obligated to ensure all animals are correctly tagged and registered within 180 days of birth or their first off-farm movement, whichever comes first. This measure takes all animals that were registered in the NAIT system within the time frame and determines if they were registered correctly or if they were registered by the recording of an off-farm movement, and therefore failed to be registered correctly. | 94.0%             | 93.3% <sup>1</sup> |
| <b>Percentage of animal movements recorded within 48 hours.</b>                                                  | This measure shows timeliness of all movements recorded within the time frame. PICAs are obligated to record all animal movements on and off their NAIT location within 48 hours (starting from the end of the day that the movement took place). As more movements are recorded retrospectively, the percentage of compliant movements will decrease over time.                                                                                                                                                                                                                       | 64.5%             | 60.8% <sup>1</sup> |
| <b>The number of active Mycoplasma bovis confirmed properties in New Zealand.</b>                                | The active confirmed properties are recorded in the Tiaki database system used by the programme.<br>Number recorded at 30th June.<br>Target as at 30 June 2025: 0                                                                                                                                                                                                                                                                                                                                                                                                                      | 0                 | 0                  |
| <b>Total number of farms tested.</b>                                                                             | The number of farms tested during surveillance testing during the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 21,562            | 15,030             |
| <b>The percentage of farms not infected with Mycoplasma bovis that had a detect.</b>                             | The percentage of farms not infected with Mycoplasma bovis across total farms found with a detect. This is measured by farms tested in the year that have in that same year recorded an elevated result during background surveillance testing.<br>Target for year ended 30 June 2025: 100%                                                                                                                                                                                                                                                                                            | 100%              | 100%               |
| <b>Average wait time for Support Centre to answer calls.</b>                                                     | Average wait time is the total length of time before the call is answered or abandoned over the course of the year in minutes and seconds.<br>Target for year ended 30 June 2025: 3 minutes                                                                                                                                                                                                                                                                                                                                                                                            | 2 mins<br>16 secs | 5 mins<br>10 secs  |

<sup>1</sup> The 2024 Outcome reported in the Statement of Service Performance for the year ended 30 June 2024 has been amended to 93.3% (95.4% reported last year) and 60.8% (63.2% reported last year). This change is because of an error found in how this metric was calculated: forced registrations were incorrectly compared to all registered animals, instead of just those with their first off-farm movement. This therefore caused an overstatement of the 2024 outcomes.

# Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2025

|                                                             | Note | 2025<br>\$000 | 2024<br>\$000   |
|-------------------------------------------------------------|------|---------------|-----------------|
| <b>Revenue</b>                                              |      |               |                 |
| Revenue from non-exchange transactions                      | 6    | 76,356        | 71,004          |
| Revenue from exchange transactions                          | 7    | 14,847        | 15,670          |
| <b>Total revenue</b>                                        |      | <b>91,203</b> | <b>86,674</b>   |
| <b>Expenditure</b>                                          |      |               |                 |
| Animal identification and tracing operations                |      | 2,829         | 3,393           |
| Corporate services                                          |      | 9,084         | 12,274          |
| Disease management and testing                              |      | 25,927        | 22,727          |
| Information technology                                      |      | 9,945         | 25,173          |
| Pest control and management                                 |      | 29,291        | 34,047          |
| Research                                                    |      | 810           | 643             |
| Support centre                                              |      | 2,156         | 2,068           |
| <b>Total expenditure</b>                                    | 8    | <b>80,042</b> | <b>100,325</b>  |
| <b>Surplus/(deficit) before financing costs</b>             |      | <b>11,161</b> | <b>(13,651)</b> |
| Interest income                                             |      | 768           | 385             |
| <b>Surplus/(deficit) for the year</b>                       |      | <b>11,929</b> | <b>(13,266)</b> |
| <b>Total comprehensive revenue and expense for the year</b> |      | <b>11,929</b> | <b>(13,266)</b> |

The accompanying notes on pages 8 – 23 are an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

|                                                      | Accumulated<br>revenue and<br>expense<br>\$000 | Total<br>equity<br>\$000 |
|------------------------------------------------------|------------------------------------------------|--------------------------|
| <b>Opening equity as at 1 July 2024</b>              | 14,784                                         | 14,784                   |
| Total comprehensive revenue and expense for the year | 11,929                                         | 11,929                   |
| <b>Equity as at 30 June 2025</b>                     | <b>26,713</b>                                  | <b>26,713</b>            |
| <b>Opening equity as at 1 July 2023</b>              | 28,050                                         | 28,050                   |
| Total comprehensive revenue and expense for the year | (13,266)                                       | (13,266)                 |
| <b>Equity as at 30 June 2024</b>                     | <b>14,784</b>                                  | <b>14,784</b>            |

The accompanying notes on pages 8 – 23 are an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position

As at 30 June 2025

|                                      | Note     | 2025<br>\$000 | 2024<br>\$000 |
|--------------------------------------|----------|---------------|---------------|
| <b>Assets</b>                        |          |               |               |
| <b>Current assets</b>                |          |               |               |
| Cash and cash equivalents            | 10       | 34,913        | 20,046        |
| Receivables and other current assets | 11       | 4,554         | 4,511         |
| Inventories                          | 12       | 943           | 1,735         |
| <b>Total current assets</b>          | <b>9</b> | <b>40,410</b> | <b>26,292</b> |
| <b>Non-current assets</b>            |          |               |               |
| Property, plant and equipment        | 13       | 352           | 476           |
| Intangible assets                    | 14       | 5,108         | 6,172         |
| <b>Total non-current assets</b>      |          | <b>5,460</b>  | <b>6,648</b>  |
| <b>Total assets</b>                  |          | <b>45,870</b> | <b>32,940</b> |
| <b>Liabilities</b>                   |          |               |               |
| <b>Current liabilities</b>           |          |               |               |
| Trade payables and other liabilities | 15       | 10,104        | 9,065         |
| Revenue in advance                   |          | 7,602         | 7,844         |
| Employee benefits liability          |          | 1,451         | 1,247         |
| <b>Total current liabilities</b>     | <b>9</b> | <b>19,157</b> | <b>18,156</b> |
| <b>Total liabilities</b>             |          | <b>19,157</b> | <b>18,156</b> |
| <b>Equity</b>                        |          |               |               |
| Capital                              | 17       | –             | –             |
| Accumulated revenue and expense      |          | 26,713        | 14,784        |
| <b>Total equity</b>                  |          | <b>26,713</b> | <b>14,784</b> |
| <b>Total equity and liabilities</b>  |          | <b>45,870</b> | <b>32,940</b> |

## Approval by the Directors

The financial statements were authorised on behalf of the Board of Directors on 18 September 2025.



**A D Cleland**  
Chair of the Board



**N P Davies-Colley**  
Director

The accompanying notes on pages 8 – 23 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2025

|                                                           | Note | 2025<br>\$000 | 2024<br>\$000  |
|-----------------------------------------------------------|------|---------------|----------------|
| <b>Cash flows from operating activities</b>               |      |               |                |
| Cash receipts from operations                             |      | 91,108        | 95,125         |
| Cash paid to employees, suppliers and other operations    |      | (76,451)      | (81,240)       |
| Net GST (paid)/received                                   |      | (317)         | 473            |
| <b>Net cash flows from operating activities</b>           | 19   | <b>14,340</b> | <b>14,358</b>  |
| <b>Cash flows from investing activities</b>               |      |               |                |
| Interest income                                           |      | 638           | 386            |
| Purchase of property, plant and equipment                 |      | (111)         | (143)          |
| Purchase of intangible assets                             |      | –             | (5,347)        |
| <b>Net cash flows from/(used in) investing activities</b> |      | <b>527</b>    | <b>(5,104)</b> |
| <b>Net increase in cash and cash equivalents</b>          |      | <b>14,867</b> | <b>9,254</b>   |
| <b>Opening cash and cash equivalents</b>                  |      |               |                |
|                                                           |      | 20,046        | 10,792         |
| <b>Closing cash and cash equivalents</b>                  | 10   | <b>34,913</b> | <b>20,046</b>  |
| <b>Net increase in cash and cash equivalents</b>          |      | <b>14,867</b> | <b>9,254</b>   |

The accompanying notes on pages 8 – 23 are an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

## Note 1 Reporting entity

OSPRI New Zealand Limited ('OSPRI') is a charity domiciled in New Zealand and registered under the Charities Act 2005 and the Companies Act 1993. The consolidated financial statements have been prepared in accordance with the requirements of these Acts.

These consolidated financial statements for the year ended 30 June 2025 comprise the controlling entity OSPRI and its wholly owned subsidiaries TBfree New Zealand Limited ('TBfree'), National Animal Identification and Tracing (NAIT) Limited ('NAIT') and *M. bovis* Free New Zealand Limited ('*M. bovis*'), together referred to as the 'Group'. For the purposes of financial reporting, the Group is designated as a not-for-profit public benefit entity.

All entities within the Group are domiciled in New Zealand. TBfree manages the National Pest Management Plan for bovine tuberculosis in accordance with the provisions of the Biosecurity Act 1993. NAIT is responsible for implementing the National Animal Identification and Tracing Scheme and operates under the National Animal Identification and Tracing Act 2012.

After the incorporation of *M. bovis* Free New Zealand Limited in August 2022, the company remained dormant until 1 November 2023 when it became active under the Government Industry Agreement ('GIA'). *M. bovis* was contracted to manage the day-to-day operational activities of the Ministry for Primary Industries Mycoplasma bovis eradication programme as per the GIA up until 31 December 2024. The National Pest Management Plan came into effect from 1 January 2025 under which *M. bovis* has overall accountability for the programme.

As OSPRI and its subsidiaries are registered charitable entities, the Group is exempt from New Zealand income tax.

## Note 2 Basis of preparation

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with, and comply with, New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). They comply with Tier 1 Public Benefit Entity (PBE) accounting standards (Not-For-Profit or 'NFP').

The consolidated financial statements were authorised for issue by the Board of Directors on 18 September 2025.

There were no Accounting Standards that were issued and apply for the year ended 30 June 2025.

### (b) Changes due to the initial application of new, revised and amended PBE standards

There have been no changes to PBE standards that require application in these financial statements.

### (c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

### (d) Functional and presentation currency

The consolidated financial statements are presented in New Zealand dollars, which is the functional and reporting currency of the company. All values are rounded to the nearest thousand dollars unless indicated otherwise.

### Note 3 Use of estimates and judgements

The preparation of the financial statements in conformity with NZ GAAP requires the use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### (a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

| Note    |                   | Judgement                                                                                |
|---------|-------------------|------------------------------------------------------------------------------------------|
| Note 14 | Intangible Assets | Recognition of internally generated software, being the amounts to capitalise or expense |

#### (b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2025 is included in the following note:

| Note    |                   | Uncertainties                                          |
|---------|-------------------|--------------------------------------------------------|
| Note 14 | Intangible Assets | Impairment, useful life and residual value of software |

### Note 4 Significant accounting policies

The accounting policies set out below and in the notes to the consolidated financial statements have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

#### (a) Goods and Services Tax ('GST')

The financial statements have been prepared so that all components are stated exclusive of GST, with the exception of some receivables and payables, which may include GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (Inland Revenue) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

#### (b) Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives value from another entity (e.g. funding) without giving approximately equal value to that entity in exchange. Funding received from non-exchange transactions is recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same funding received. Liabilities are recognised in relation to funding received when there is a resulting present obligation to perform or satisfy a condition (or milestone), and the failure of which will result in the refund of any funding that have been received in relation to the specified condition (or milestone).

## Note 4 Significant accounting policies continued...

### (c) Financial instruments – non-derivative financial assets and liabilities

The Group initially recognises financial instruments on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

#### *Financial assets*

Financial assets are within the scope of PBE International Public Sector Accounting Standards (IPSAS) 41: Financial Instruments. The classifications for the financial assets are determined at initial recognition. On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive revenue and expense (FVOCRE) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD).

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expense. The Group's financial assets are classified as amortised cost. Financial assets include cash and cash equivalents, receivables and prepayments.

All financial assets are subject to review for impairment at least at each reporting date.

These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

#### *Financial liabilities*

All financial liabilities are initially recognised at fair value plus any attributable transactions costs and are measured subsequently at amortised cost using the effective interest method.

The Group's financial liabilities include payables from exchange and non-exchange transactions which are classified as financial liabilities at amortised cost.

### (d) Intangible assets

All intangible assets are stated at cost less amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The costs of self-constructed assets are recognised as capital work in progress until the assets are operating in the manner intended, at which time they are transferred to intangible assets.

Amortisation is recognised in comprehensive revenue and expense and is calculated to amortise the cost of the intangible assets less any residual values using the straight-line method over their estimated useful lives of 7 years. The assets' residual values and useful lives are reviewed and adjusted during the reporting period as appropriate.

### (e) Non-financial assets

The Group has determined that all property, plant and equipment and intangible assets (including capital work in progress) are non-cash generating assets, as they are held to provide activities and services that benefit biosecurity, traceability and industry good. Work in progress balances are reviewed on a regular basis. In scenarios where projects are not completed or are no longer considered to add value to the Group, the amount of work in progress held for those projects is written off.

At each reporting date, the Group estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. Impairment losses are recognised in the determination of comprehensive revenue and expense.

## Note 5 Segmental results

The Group is organised into and reports to the directors on the basis of four functional areas: OSPRI, TBfree, NAIT and *M. bovis*. Expenses incurred by OSPRI on behalf of its subsidiaries are allocated across the three other functional areas on a proportional basis.

### Statement of Comprehensive Revenue and Expense for the year ended 30 June 2025

|                                                             | OSPRI<br>\$000 | TBfree<br>\$000 | NAIT<br>\$000 | <i>M bovis</i><br>\$000 | Group<br>\$000 |
|-------------------------------------------------------------|----------------|-----------------|---------------|-------------------------|----------------|
| <b>Operating revenue</b>                                    |                |                 |               |                         |                |
| Animal identification tag levies                            | –              | –               | 3,937         | –                       | 3,937          |
| Beef cattle slaughter levies                                | –              | 7,422           | –             | 99                      | 7,521          |
| Crown funding                                               | –              | 24,000          | 4,340         | 14,847                  | 43,187         |
| Dairy cattle milk solid levies                              | –              | –               | –             | 6,647                   | 6,647          |
| Dairy cattle slaughter levies                               | –              | 10,547          | –             | –                       | 10,547         |
| Dairy industry funding                                      | –              | 14,500          | –             | –                       | 14,500         |
| Deer industry funding                                       | –              | 754             | 248           | –                       | 1,002          |
| Tagged and untagged animal slaughter levies                 | –              | –               | 3,732         | –                       | 3,732          |
| Other income                                                | –              | 115             | 15            | –                       | 130            |
| <b>Total operating revenue</b>                              | <b>–</b>       | <b>57,338</b>   | <b>12,272</b> | <b>21,593</b>           | <b>91,203</b>  |
| <b>Operating expenditure</b>                                |                |                 |               |                         |                |
| Animal identification and tracing operations                | –              | –               | 2,829         | –                       | 2,829          |
| Corporate services                                          | –              | 3,564           | 2,483         | 3,037                   | 9,084          |
| Disease management and testing                              | –              | 11,054          | –             | 14,873                  | 25,927         |
| Information technology                                      | –              | 4,162           | 4,127         | 1,657                   | 9,946          |
| Pest control and management                                 | –              | 29,291          | –             | –                       | 29,291         |
| Research                                                    | –              | 788             | –             | 22                      | 810            |
| Support centre                                              | –              | 651             | 1,504         | –                       | 2,155          |
| <b>Total operating expenditure</b>                          | <b>–</b>       | <b>49,510</b>   | <b>10,943</b> | <b>19,589</b>           | <b>80,042</b>  |
| <b>Net operating surplus for the year</b>                   | <b>–</b>       | <b>7,828</b>    | <b>1,329</b>  | <b>2,004</b>            | <b>11,161</b>  |
| Interest income                                             | –              | 381             | 75            | 312                     | 768            |
| <b>Total comprehensive revenue and expense for the year</b> | <b>–</b>       | <b>8,209</b>    | <b>1,404</b>  | <b>2,316</b>            | <b>11,929</b>  |

**Note 5 Segmental results continued...****Statement of Financial Position as at 30 June 2025**

|                                     | OSPRI<br>\$000 | TBfree<br>\$000 | NAIT<br>\$000 | <i>M bovis</i><br>\$000 | Intra-<br>Group<br>\$000 | Group<br>\$000 |
|-------------------------------------|----------------|-----------------|---------------|-------------------------|--------------------------|----------------|
| Current assets                      | 4,339          | 20,952          | 4,273         | 14,618                  | (3,772)                  | 40,410         |
| Non-current assets                  | 347            | 2,559           | 2,554         | –                       | –                        | 5,460          |
| <b>Total assets</b>                 | <b>4,686</b>   | <b>23,511</b>   | <b>6,827</b>  | <b>14,618</b>           | <b>(3,772)</b>           | <b>45,870</b>  |
| Current liabilities                 | 2,773          | 8,353           | 1,336         | 10,467                  | (3,772)                  | 19,157         |
| <b>Total liabilities</b>            | <b>2,773</b>   | <b>8,353</b>    | <b>1,336</b>  | <b>10,467</b>           | <b>(3,772)</b>           | <b>19,157</b>  |
| Retained earnings and reserves      | 1,913          | 6,949           | 4,087         | 1,835                   | –                        | 14,784         |
| Surplus for the year                | –              | 8,209           | 1,404         | 2,316                   | –                        | 11,929         |
| <b>Total equity</b>                 | <b>1,913</b>   | <b>15,158</b>   | <b>5,491</b>  | <b>4,151</b>            | <b>–</b>                 | <b>26,713</b>  |
| <b>Total equity and liabilities</b> | <b>4,686</b>   | <b>23,511</b>   | <b>6,827</b>  | <b>14,618</b>           | <b>(3,772)</b>           | <b>45,870</b>  |

**Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024**

|                                             | OSPRI<br>\$000 | TBfree<br>\$000 | NAIT<br>\$000 | <i>M bovis</i><br>\$000 | Group<br>\$000 |
|---------------------------------------------|----------------|-----------------|---------------|-------------------------|----------------|
| <b>Operating revenue</b>                    |                |                 |               |                         |                |
| Animal identification tag levies            | –              | –               | 3,265         | –                       | 3,265          |
| Beef cattle slaughter levies                | –              | 8,485           | –             | –                       | 8,485          |
| Corporate services                          | 1,831          | –               | –             | –                       | 1,831          |
| Crown funding                               | –              | 24,000          | 4,340         | 13,839                  | 42,179         |
| Dairy cattle slaughter levies               | –              | 11,094          | –             | –                       | 11,094         |
| Dairy industry funding                      | –              | 14,500          | –             | –                       | 14,500         |
| Deer industry funding                       | –              | 914             | 198           | –                       | 1,112          |
| Live export levies                          | –              | 3               | –             | –                       | 3              |
| Tagged and untagged animal slaughter levies | –              | –               | 4,046         | –                       | 4,046          |
| Tuberculosis reactor proceeds               | –              | 67              | –             | –                       | 67             |
| Other income                                | –              | –               | 92            | –                       | 92             |
| <b>Total operating revenue</b>              | <b>1,831</b>   | <b>59,063</b>   | <b>11,941</b> | <b>13,839</b>           | <b>86,674</b>  |

**Note 5 Segmental results continued...**

|                                                             | OSPRI<br>\$000 | TBfree<br>\$000 | NAIT<br>\$000  | <i>M bovis</i><br>\$000 | Group<br>\$000  |
|-------------------------------------------------------------|----------------|-----------------|----------------|-------------------------|-----------------|
| <b>Operating expenditure</b>                                |                |                 |                |                         |                 |
| Animal identification and tracing operations                | –              | –               | 3,393          | –                       | 3,393           |
| Corporate services                                          | 1,792          | 5,484           | 2,501          | 2,497                   | 12,274          |
| Disease management and testing                              | –              | 14,742          | –              | 7,985                   | 22,727          |
| Information technology                                      | –              | 11,131          | 12,581         | 1,461                   | 25,173          |
| Pest control and management                                 | –              | 34,047          | –              | –                       | 34,047          |
| Research                                                    | –              | 627             | –              | 16                      | 643             |
| Support centre                                              | –              | 415             | 1,508          | 145                     | 2,068           |
| <b>Total operating expenditure</b>                          | <b>1,792</b>   | <b>66,446</b>   | <b>19,983</b>  | <b>12,104</b>           | <b>100,325</b>  |
| <b>Net operating surplus/(deficit) for the year</b>         | <b>39</b>      | <b>(7,383)</b>  | <b>(8,042)</b> | <b>1,735</b>            | <b>(13,651)</b> |
| Interest income                                             | –              | 222             | 63             | 100                     | 385             |
| <b>Total comprehensive revenue and expense for the year</b> | <b>39</b>      | <b>(7,161)</b>  | <b>(7,979)</b> | <b>1,835</b>            | <b>(13,266)</b> |

**Statement of Financial Position as at 30 June 2024**

|                                     | OSPRI<br>\$000 | TBfree<br>\$000 | NAIT<br>\$000 | <i>M bovis</i><br>\$000 | Intra-Group<br>\$000 | Group<br>\$000 |
|-------------------------------------|----------------|-----------------|---------------|-------------------------|----------------------|----------------|
| Current assets                      | 732            | 12,191          | 2,903         | 10,769                  | (303)                | 26,292         |
| Non-current assets                  | 3,366          | 3,094           | 3,086         | –                       | (2,898)              | 6,648          |
| <b>Total assets</b>                 | <b>4,098</b>   | <b>15,285</b>   | <b>5,989</b>  | <b>10,769</b>           | <b>(3,201)</b>       | <b>32,940</b>  |
| Current liabilities                 | 2,185          | 8,336           | 1,902         | 8,934                   | (3,201)              | 18,156         |
| <b>Total liabilities</b>            | <b>2,185</b>   | <b>8,336</b>    | <b>1,902</b>  | <b>8,934</b>            | <b>(3,201)</b>       | <b>18,156</b>  |
| Retained earnings and reserves      | 1,874          | 14,110          | 12,066        | –                       | –                    | 28,050         |
| Surplus/(deficit) for the year      | 39             | (7,161)         | (7,979)       | 1,835                   | –                    | (13,266)       |
| <b>Total equity</b>                 | <b>1,913</b>   | <b>6,949</b>    | <b>4,087</b>  | <b>1,835</b>            | <b>–</b>             | <b>14,784</b>  |
| <b>Total equity and liabilities</b> | <b>4,098</b>   | <b>15,285</b>   | <b>5,989</b>  | <b>10,769</b>           | <b>(3,201)</b>       | <b>32,940</b>  |

**Note 6 Revenue from non-exchange transactions**

|                                                     | 2025<br>\$000 | 2024<br>\$000 |
|-----------------------------------------------------|---------------|---------------|
| Animal identification tag levies                    | 3,937         | 3,265         |
| Beef cattle slaughter levies                        | 7,521         | 8,485         |
| Crown funding                                       | 28,340        | 28,340        |
| Dairy cattle milk solid levies                      | 6,647         | –             |
| Dairy cattle slaughter levies                       | 10,547        | 11,094        |
| Dairy industry funding for milk solids              | 14,500        | 14,500        |
| Deer industry funding                               | 1,002         | 1,112         |
| Live export levies                                  | –             | 3             |
| Tagged and untagged animal slaughter levies         | 3,732         | 4,046         |
| Other income                                        | 130           | 159           |
| <b>Total revenue from non-exchange transactions</b> | <b>76,356</b> | <b>71,004</b> |

The Group's non-exchange transactions are recognised according to the following criteria:

**Crown and industry funding**

The recognition of non-exchange revenue for Crown and industry funding depends on whether the funding comes with any stipulations imposed on the use of funding provided.

Stipulations that are 'conditions' that specifically require the return of any funding received if the funds are not used in the way stipulated, result in the recognition of a liability (revenue in advance) that is subsequently recognised as non-exchange revenue, as and when the conditions are satisfied.

Funding subject to stipulations that are 'restrictions' that do not specifically require the return of any funding received if the funds are not utilised in the way stipulated, are recognised as non-exchange revenue when the funds are received.

TBfree receives funding from the Crown, dairy, beef and deer industry sectors pursuant to a 'TB Plan Funders' Agreement'. The funding provided is restricted to being used to carry out its National Pest Management Plan for bovine tuberculosis control and eradication from cattle and deer herds. The funding agreement does not impose any condition that require unspent funds to be returned, and the funding is recognised as non-exchange revenue when the funds are received.

NAIT receives funding from the Crown to enable it to carry out its animal identification and tracing operations, and the funding is recognised as non-exchange revenue when the funds are received. The NAIT Funders' Agreement has specific strategic objectives and performance measures which are subject to independent audit and review. Ongoing funding is dependent on the achievement of these milestones. If the milestones are not achieved, or if the funding provided has been underspent, then further funding may be reduced.

**Levies**

In accordance with the applicable legislation, regulations, and orders, levies are charged when dairy farmers supply milk solids to dairy processors, cattle and deer are processed by a meat processor, animal identification tags are sold, and when cattle are exported live for commercial purposes. The purpose of the levies collected is to partially fund the implementation of a national bovine tuberculosis management plan and the establishment and ongoing maintenance of a disease management system. There are no conditions imposed in respect of this revenue, and it is recognised as non-exchange revenue when the funds are received.

## Note 7 Revenue from exchange transactions

|                                                 | 2025<br>\$000 | 2024<br>\$000 |
|-------------------------------------------------|---------------|---------------|
| Corporate services                              | –             | 1,831         |
| Crown funding – <i>M. bovis</i>                 | 14,847        | 13,839        |
| <b>Total revenue from exchange transactions</b> | <b>14,847</b> | <b>15,670</b> |

### Crown funding

*M. bovis* received a fee from the Crown pursuant to a 'Services Agreement' under the GIA. The fee provided was restricted to being used to identify and eradicate any *Mycoplasma bovis* infected cattle in New Zealand. The Statement of Work supporting the Services Agreement imposed a condition that required unspent funds to be returned to the Crown.

Under the National Pest Management Plan (NPMP), *M. bovis* receives funding from the Crown, dairy and beef industry sectors pursuant to a 'Mycoplasma bovis NPMP Funders' Agreement'. The funding provided is restricted to being used to carry out the National Pest Management Plan. The funding agreement imposes a condition that requires unspent funds received from the Crown to be returned. Funding is recognised as exchange revenue when the funds have been used accordingly.

Crown funding to be returned in October 2025 is \$7.6m related to the year ended 30 June 2025 (October 2024: \$7.8m), and is recognised as revenue in advance in the Statement of Financial Position.

## Note 8 Expenditure

Total expenses include:

|                          | Note | 2025<br>\$000 | 2024<br>\$000 |
|--------------------------|------|---------------|---------------|
| Employee remuneration    |      | 17,855        | 16,028        |
| KiwiSaver contribution   |      | 594           | 613           |
| Depreciation             | 12   | 234           | 315           |
| Amortisation             | 13   | 1,064         | 2,619         |
| Impairment               | 13   | –             | 16,601        |
| Operating lease expenses |      | 1,578         | 1,588         |

## Note 9 Fair values

The carrying amounts of all financial assets and liabilities approximate their fair values. The fair value of the financial assets and liabilities is the amount at which the instruments could be exchanged in a current transaction between willing parties, that is, other than in a forced sale or liquidation. The Group has no financial instruments that are subject to fair value adjustments at each reporting period.

## Note 10 Cash and cash equivalents

|                                        | 2025<br>\$000 | 2024<br>\$000 |
|----------------------------------------|---------------|---------------|
| Cash at bank                           | 15,913        | 20,046        |
| Short-term bank deposits               | 19,000        | –             |
| <b>Total cash and cash equivalents</b> | <b>34,913</b> | <b>20,046</b> |

**Note 11 Receivables and other current assets**

|                                                         | Note | 2025<br>\$000 | 2024<br>\$000 |
|---------------------------------------------------------|------|---------------|---------------|
| <b>Receivables from non-exchange transactions</b>       |      |               |               |
| Animal identification tag levies                        |      | 504           | 521           |
| GST receivable                                          |      | 152           | –             |
| Industry funding                                        | 17   | 1,498         | 1,528         |
| Slaughter levies                                        |      | 2,013         | 1,753         |
| Other receivables and current assets                    |      | 257           | 349           |
| <b>Total receivables from non-exchange transactions</b> |      | <b>4,424</b>  | <b>4,151</b>  |
| <b>Receivables from exchange transactions</b>           |      |               |               |
| Crown funding                                           |      | –             | 360           |
| Interest income                                         |      | 130           | –             |
| <b>Total receivables from exchange transactions</b>     |      | <b>130</b>    | <b>360</b>    |
| <b>Total receivables and other current assets</b>       |      | <b>4,554</b>  | <b>4,511</b>  |

The aging of receivables from non-exchange and exchange transactions as at reporting date is:

|                          | 2025           |                     |              |
|--------------------------|----------------|---------------------|--------------|
|                          | Gross<br>\$000 | Impairment<br>\$000 | Net<br>\$000 |
| Not past due             | 4,290          | –                   | 4,290        |
| 1 – 60 days              | 7              | –                   | 7            |
| <b>Total receivables</b> | <b>4,297</b>   | <b>–</b>            | <b>4,297</b> |

|                          | 2024           |                     |              |
|--------------------------|----------------|---------------------|--------------|
|                          | Gross<br>\$000 | Impairment<br>\$000 | Net<br>\$000 |
| Not past due             | 4,162          | –                   | 4,162        |
| <b>Total receivables</b> | <b>4,162</b>   | <b>–</b>            | <b>4,162</b> |

The Group utilises the simplified approach as permitted by PBE IPSAS 41 in determining the expected credit losses (ECL). Both historical and forward-looking factors have been considered in this assessment. Management has determined that an ECL of nil is applicable for the current reporting period.

**Note 12 Inventories**

|                          | 2025<br>\$000 | 2024<br>\$000 |
|--------------------------|---------------|---------------|
| Test kits                | 943           | 1,735         |
| <b>Total inventories</b> | <b>943</b>    | <b>1,735</b>  |

Inventories are stated at cost. The cost of inventory is determined on a first-in, first-out basis. The cost of inventories consumed during the year are recognised as an expense.

### Note 13 Property, plant and equipment

#### 2025 – Net book value

|                                 | Property,<br>plant and<br>equipment<br>\$000 | Work in<br>progress<br>\$000 | Total<br>\$000 |
|---------------------------------|----------------------------------------------|------------------------------|----------------|
| Cost                            | 2,865                                        | –                            | 2,865          |
| Accumulated depreciation        | (2,513)                                      | –                            | (2,513)        |
| <b>Net book value</b>           | <b>352</b>                                   | <b>–</b>                     | <b>352</b>     |
| Opening balance                 | 2,787                                        | –                            | 2,787          |
| Additions                       | 110                                          | –                            | 110            |
| Disposals                       | (32)                                         | –                            | (32)           |
| <b>Total cost</b>               | <b>2,865</b>                                 | <b>–</b>                     | <b>2,865</b>   |
| Opening balance                 | 2,311                                        | –                            | 2,311          |
| Depreciation                    | 234                                          | –                            | 234            |
| Disposals                       | (32)                                         | –                            | (32)           |
| <b>Accumulated depreciation</b> | <b>2,513</b>                                 | <b>–</b>                     | <b>2,513</b>   |

#### 2024 – Net book value

|                                 | Property,<br>plant and<br>equipment<br>\$000 | Work in<br>progress<br>\$000 | Total<br>\$000 |
|---------------------------------|----------------------------------------------|------------------------------|----------------|
| Cost                            | 2,787                                        | –                            | 2,787          |
| Accumulated depreciation        | (2,311)                                      | –                            | (2,311)        |
| <b>Net book value</b>           | <b>476</b>                                   | <b>–</b>                     | <b>476</b>     |
| Opening balance                 | 2,822                                        | –                            | 2,822          |
| Additions                       | 142                                          | –                            | 142            |
| Disposals                       | (177)                                        | –                            | (177)          |
| <b>Total cost</b>               | <b>2,787</b>                                 | <b>–</b>                     | <b>2,787</b>   |
| Opening balance                 | 2,173                                        | –                            | 2,173          |
| Depreciation                    | 315                                          | –                            | 315            |
| Disposals                       | (177)                                        | –                            | (177)          |
| <b>Accumulated depreciation</b> | <b>2,311</b>                                 | <b>–</b>                     | <b>2,311</b>   |

### Note 14 Intangible assets

Most of the software comprises the NAIT Database, Disease Management System and the development of the integrated information system.

#### 2025 – Net book value

|                                                 | Software<br>\$000 | Work in<br>progress<br>\$000 | Total<br>\$000 |
|-------------------------------------------------|-------------------|------------------------------|----------------|
| Cost                                            | 41,041            | 8,190                        | 49,231         |
| Accumulated amortisation and impairments        | (35,933)          | (8,190)                      | (44,123)       |
| <b>Net book value</b>                           | <b>5,108</b>      | <b>–</b>                     | <b>5,108</b>   |
| Opening balance                                 | 41,041            | 8,190                        | 49,231         |
| Additions                                       | –                 | –                            | –              |
| Capitalisation of WIP                           | –                 | –                            | –              |
| <b>Total cost</b>                               | <b>41,041</b>     | <b>8,190</b>                 | <b>49,231</b>  |
| Opening balance                                 | 34,869            | 8,190                        | 43,059         |
| Amortisation                                    | 1,064             | –                            | 1,064          |
| Impairment                                      | –                 | –                            | –              |
| <b>Accumulated amortisation and impairments</b> | <b>35,933</b>     | <b>8,190</b>                 | <b>44,123</b>  |

#### 2024 – Net book value

|                                                 | Software<br>\$000 | Work in<br>progress<br>\$000 | Total<br>\$000 |
|-------------------------------------------------|-------------------|------------------------------|----------------|
| Cost                                            | 41,041            | 8,190                        | 49,231         |
| Accumulated amortisation and impairments        | (34,869)          | (8,190)                      | (43,059)       |
| <b>Net book value</b>                           | <b>6,172</b>      | <b>–</b>                     | <b>6,172</b>   |
| Opening balance                                 | 35,341            | 8,544                        | 43,885         |
| Additions                                       | –                 | 5,346                        | 5,346          |
| Capitalisation of WIP                           | 5,700             | (5,700)                      | –              |
| <b>Total cost</b>                               | <b>41,041</b>     | <b>8,190</b>                 | <b>49,231</b>  |
| Opening balance                                 | 23,839            | –                            | 23,839         |
| Amortisation                                    | 2,619             | –                            | 2,619          |
| Impairment                                      | 8,411             | 8,190                        | 16,601         |
| <b>Accumulated amortisation and impairments</b> | <b>34,869</b>     | <b>8,190</b>                 | <b>43,059</b>  |

## Note 14 Intangible assets continued...

### Internally generated software

Judgement is required when distinguishing between the research and development phase of customised software projects and whether the costs meet the recognition requirements for capitalisation. Post capitalisation, management monitors whether the recognition requirements continue to be met, or whether there are any indications that capitalisation costs are impaired. As enhancements to internally developed software are created and capitalised, the Group reviews the useful life of the existing asset. If the enhancement will extend the useful life of the asset, this is adjusted.

### Impairment of assets

Impairment losses recorded against intangible assets are included in information technology expenditure.

During the year-ended 30 June 2024, a decision was made to pause the construction of part of the intangible asset, Information Systems Strategic Plan (ISSP), which constituted an indicator of impairment. Therefore, the Group was required to test ISSP for impairment in accordance with PBE IPSAS 21. An independent review of ISSP was carried out and part of ISSP, MyOSPRI's architecture, had issues so critical that a decision has been made to restart a NAIT replacement. MyOSPRI and other projects that have been discontinued are therefore recognised with book value of nil at 30 June 2025. This resulted in an impairment charge for the Group of \$16.6m, which was allocated 50% to TBfree and 50% to NAIT at 30 June 2024.

In the year-ended 30 June 2025, work began again on replacing New Zealand's online NAIT system. At 30 June 2025 detailed requirements and architecture had been completed. The costs for these phases are considered IT operating expenditure. Parts of MyOSPRI are still currently in use with the intention to dispose of this asset once the new online NAIT system is operational.

Intangible assets consist of OOMS and Customer Relationship Management ('CRM') software.

## Note 15 Trade payables and other liabilities

|                                                   | 2025<br>\$000 | 2024<br>\$000 |
|---------------------------------------------------|---------------|---------------|
| Trade payables                                    | 632           | 2,098         |
| GST payable                                       | –             | 143           |
| Other payables and accruals                       | 9,472         | 6,824         |
| <b>Total trade payables and other liabilities</b> | <b>10,104</b> | <b>9,065</b>  |

Trade payables are non-interest bearing and are normally settled on 30-day terms.

In December 2024 TBfree cancelled its bank overdraft facility agreement with Westpac. OSPRI has a credit card facility of \$0.3m (2024: \$0.3m) in place.

## Note 16 Financial risk management

As part of its normal operations, the Group is exposed to a number of risks and has policies in place to mitigate the adverse impacts of these risks. The most significant are credit risk, interest rate risk and liquidity risk.

### Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet or defaults on its contractual obligations. The carrying amounts of all financial assets represents the maximum exposure to credit risk. The Group is not exposed to any material concentrations of credit risk other than its exposure to the dairy, beef and deer industries.

The Group does not require any collateral or security to support financial instruments relating to its receivables.

The receivables and recoverable balances are monitored on a continual basis in order to mitigate bad debts.

Any receivables identified as being uncollectable are immediately written off.

The Group holds all its cash and cash equivalents with major New Zealand registered banks and has limits in place to ensure there is no concentration of credit risk with any one bank. Credit ratings of all major New Zealand registered banks as issued by Standard & Poor's (AA-), Fitch (A+) and Moody's (Aa3) at 30 June 2025 are noted (unchanged from 2024).

## Note 16 Financial risk management continued...

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial arrangement will fluctuate because of adverse changes in market interest rates. The Group's Treasury Policy states that investments can only be held for a maximum of 185 days. During the financial year and as at the end of the financial year, the Group's exposure to interest rate risk was not material.

### Liquidity risk

Liquidity risk arises from the Group's management of working capital and is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions. Under the Group's Treasury Policy, only cash deemed surplus to the Group's liquidity is invested short-term. The only financial liabilities that the Group has are payables from exchange transactions, which are expected to settle within the agreed credit terms subsequent to balance date.

Current creditors and other payables are all due to be settled on 30-day terms.

The Group's capital includes share capital and retained earnings. Accumulated surpluses are available for future purposes. The Group prepares long term forecasts to manage its capital and liquidity.

## Note 17 Capital

OSPRI New Zealand Limited has 110 (2024:110) ordinary shares that have been issued and fully paid with no par value.

As the Company is a not-for-profit entity, the holder of ordinary shares is not entitled to receive dividends or distributions of any kind from the Company, as stated in the Company's constitution.

## Note 18 Related parties

### Shareholders and associates

OSPRI is the parent and ultimate controlling entity of TBfree, NAIT and *M. bovis*.

The shareholders of OSPRI are DairyNZ Incorporated, Beef + Lamb New Zealand Limited and Deer Industry New Zealand.

### Board and key management personnel

The Board consists of the directors who together govern the Group. The total remuneration of the Board was:

|                                                                | 2025<br>\$000 | 2024<br>\$000 |
|----------------------------------------------------------------|---------------|---------------|
| Board fees (including committee fees)                          | 373           | 321           |
| Number of directors                                            | 8             | 7             |
| Board directors sitting on NAIT Data Access Panel – panel fees | 13            | 18            |
| Number of directors                                            | 2             | 3             |
| <b>Total remuneration to Board members</b>                     | <b>386</b>    | <b>339</b>    |

**Note 18 Related parties continued...**

The Executive Leadership Team consisted of the Chief Executive, Chief Operating Officer, Chief Information Officer, General Manager ('GM') Disease Control Planning, GM Service Delivery (North Island), GM Service Delivery (South Island), GM People, and Head of Traceability. The total remuneration of the executive leadership team and the number of personnel, on a full-time equivalent basis, receiving remuneration in this category are:

|                                        | 2025<br>\$000 | 2024<br>\$000 |
|----------------------------------------|---------------|---------------|
| Executive Leadership Team remuneration | 2,322         | 2,631         |
| Number of people                       | 8             | 8             |

**Transactions with related parties**

The Group had the following material transactions with its related parties:

|                                               | 2025<br>\$000 | 2024<br>\$000 |
|-----------------------------------------------|---------------|---------------|
| DairyNZ Incorporated                          | 20,958        | 14,500        |
| Deer Industry New Zealand                     | 1,002         | 1,113         |
| <b>Revenue from non-exchange transactions</b> | <b>21,960</b> | <b>15,613</b> |
| AgResearch Limited                            | 1,002         | 1,736         |
| Beef + Lamb New Zealand Limited               | 47            | 48            |
| Landcare Research NZ Limited                  | –             | 262           |
| Nelmac Limited                                | 1,226         | –             |
| <b>Operating expenditure</b>                  | <b>2,275</b>  | <b>2,046</b>  |

The Group had the following balances outstanding with its related parties:

|                                                   | 2025<br>\$000 | 2024<br>\$000 |
|---------------------------------------------------|---------------|---------------|
| DairyNZ Incorporated                              | 1,390         | 1,390         |
| Deer Industry New Zealand                         | 108           | 138           |
| <b>Receivables from non-exchange transactions</b> | <b>1,498</b>  | <b>1,528</b>  |
| AgResearch Limited                                | 36            | 304           |
| Beef + Lamb New Zealand Limited                   | –             | 23            |
| Landcare Research NZ Limited                      | –             | 16            |
| <b>Payables</b>                                   | <b>36</b>     | <b>343</b>    |

H L Martyn was a director of Nelmac Limited, A P L Guilleux a director of Beef + Lamb New Zealand Limited, and L E Cullen a director of AgResearch Limited at 30 June 2025. P H S Reynolds was a director of AgResearch Limited and Landcare Research NZ Limited during the year ended 30 June 2024 and resigned from both companies on 30 June 2024.

**Note 19 Reconciliation of surplus/(deficit) to cash flows from operating activities**

|                                                             | 2025<br>\$000 | 2024<br>\$000   |
|-------------------------------------------------------------|---------------|-----------------|
| <b>Surplus/(deficit) for the year</b>                       | <b>11,929</b> | <b>(13,266)</b> |
| <b>Deduct items classified as investing activities</b>      |               |                 |
| Interest received                                           | (768)         | (385)           |
| <b>Add non-cash movements</b>                               |               |                 |
| Amortisation and depreciation                               | 1,297         | 2,933           |
| Write-off of intangible assets                              | –             | 16,602          |
| <b>Movements in working capital items</b>                   |               |                 |
| (Increase)/decrease in receivables and other current assets | (33)          | 1,267           |
| Decrease/(increase) in inventories                          | 793           | (1,735)         |
| Increase in employee entitlements                           | 204           | 163             |
| (Decrease)/increase in revenue in advance                   | (242)         | 7,844           |
| Increase in payables and other liabilities                  | 1,160         | 935             |
| <b>Net cash flows from operating activities</b>             | <b>14,340</b> | <b>14,358</b>   |

**Note 20 Operating leases**

The Group has entered into non-cancellable operating leases for offices and motor vehicles. The lease commitments are based on current rentals. Future lease commitments at year end in respect of these non-cancellable leases are:

|                                                       | 2025<br>\$000 | 2024<br>\$000 |
|-------------------------------------------------------|---------------|---------------|
| Due within one year                                   | 1,377         | 1,527         |
| Due between one and two years                         | 789           | 923           |
| Due between two and five years                        | 147           | 419           |
| <b>Total non-cancellable operating lease payments</b> | <b>2,313</b>  | <b>2,869</b>  |

**Note 21 Categories of financial assets and liabilities**

|                                                | 2025<br>\$000 | 2024<br>\$000 |
|------------------------------------------------|---------------|---------------|
| <b>Financial assets at amortised cost</b>      |               |               |
| Cash and cash equivalents                      | 34,913        | 20,046        |
| Receivables and other current assets           | 4,145         | 4,162         |
| <b>Total financial assets</b>                  | <b>39,058</b> | <b>24,208</b> |
| <b>Financial liabilities at amortised cost</b> |               |               |
| Trade payables and other liabilities           | 10,104        | 8,922         |
| <b>Total financial liabilities</b>             | <b>10,104</b> | <b>8,922</b>  |

## Note 22 Commitments

### Pest management control

TBfree enters into contractual arrangements for the completion of pest management control operations. The estimated cost to complete pest control operations that were not accrued, but had been contracted at 30 June 2025 is \$0.2m (2024: \$0.9m).

### Tuberculosis management areas

TBfree has entered into a number of agreements regarding contracts for future pest control work in particular regions. These contracts can be terminated up to 12 months prior to commencement of work at no cost to TBfree. Where contracts are terminated within 12 months of commencement of work, TBfree will reimburse actual costs incurred up to date of contract termination plus up to 5% of the relevant project price to cover the contractor's lost margin. As at 30 June 2025, TBfree has no intention to materially change any awarded contracts, and the result of any contract cancellation is not expected to have a material impact on the financial statements of the Group.

### Research contracts

OSPRI has entered into a number of funding agreements for research projects. The continued funding of these is subject to performance reviews. Future commitments at year-end in respect of these funding agreements are:

|                                           | 2025<br>\$000 | 2024<br>\$000 |
|-------------------------------------------|---------------|---------------|
| Due within one year                       | 311           | 486           |
| Due between one and two years             | 53            | 165           |
| <b>Total research funding commitments</b> | <b>364</b>    | <b>651</b>    |

## Note 23 Capital commitments

Capital commitments on 30 June 2025 were nil (2024: nil).

## Note 24 Contingent liabilities

There are no contingent liabilities that have a significant effect on the financial statements of the Group (2024: nil).

## Note 25 Subsequent events

TBfree has taken over on-farm TB testing from 1 July 2025 followingASUREQuality's ('AQ') decision not to renew its contract ending 28 February 2025. After the transition period where AQ continued services until 30 June 2025, TBfree brought testing inhouse and have employed seasonal or permanent Field Technicians.

There were no other significant events after reporting date that would have a material impact on the financial statements of the Group.

## Note 26 Auditor's remuneration

The Auditor of the Group for 2025 is BDO Wellington Audit Limited (2024: BDO Wellington Audit Limited).

|                                                                               | 2025<br>\$000 | 2024<br>\$000 |
|-------------------------------------------------------------------------------|---------------|---------------|
| Amounts paid or payable to the auditor for auditing the accounts of the Group | 85            | 74            |



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OSPRI NEW ZEALAND LIMITED

### Opinion

We have audited the consolidated general purpose financial report of OSPRI New Zealand Limited ("the Company") and its controlled entities (together, "the Group"), which comprises the consolidated financial statements on pages 4 to 23, and the consolidated statement of service performance on pages 2 to 3. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 30 June 2025, and its consolidated financial performance, and its consolidated cash flows for the year then ended; and
- the consolidated statement of service performance for the year ended 30 June 2025, in that the service performance information is appropriate and meaningful and prepared in accordance with the Group's measurement bases or evaluation methods.

in accordance with Public Benefit Entity Standards ("PBE Standards") issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (NZ AS 1) (Revised) *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its controlled entities.

### The Board of Directors' Responsibilities for the Consolidated General Purpose Financial Report

The Board of Directors is responsible on behalf of the Group for:

- (a) the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards;
- (b) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present a statement of service performance that is appropriate and meaningful in accordance with PBE Standards;



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- (c) the preparation and fair presentation of the statement of service performance in accordance with the Group's measurement bases or evaluation methods, in accordance with PBE Standards;
- (d) the overall presentation, structure and content of the statement of service performance in accordance with PBE Standards; and
- (e) such internal control as the Board of Directors determine is necessary to enable the preparation of the consolidated financial statements and consolidated statement of service performance that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance 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 conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this consolidated general purpose financial report.

A further description of the auditor's responsibilities for the audit of the consolidated general purpose financial report is located at the XRB's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/>

This description forms part of our auditor's report.

#### **Who we Report to**

This report is made solely to the Company's Shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Wellington Audit Limited*

**BDO WELLINGTON AUDIT LIMITED**

Wellington

New Zealand

19 September 2025

