



ANNUAL REPORT 2020

**Southern Rocklobster
Limited**



Chairman's Report

Once again, I am pleased to present the Annual Report for the 2019/20 financial year.

Without a doubt the 2020 financial year will be remembered as our *annus horribilis*, a year like no other in the Company's history. The global pandemic that is Covid-19 has filled every newspaper and evening report in Australia since January and has been the single most influential factor impacting the seafood sector since national borders were shut on 20 March 2020.

Even prior to this, our Industry had lived through almost two months of severely impacted trade. Southern Rocklobster was often been referred to as the 'canary down the mine' as mass cancellations of customer orders occurring on 24 January 2020 led to a zero beach price whilst domestic markets remained comparatively unaware of the issue that our Chinese customers were facing.

However, I am pleased to note that Industry is bouncing back and at the time of writing the beach price has gone past \$100/kg in South Australia. It is a testament to the resilience of our industry but is in no small measure thanks to the support of government at both State and Federal levels and the hard work of many behind the scenes, not the least of which has been our Executive Officer. Tom has done a power of work keeping his finger on the pulse of the pandemic and working to keep our export lines open and freight moving.

SRL financial statements for the year ending 30 June 2019 show that the organisation remains on a sound financial footing. Due to the timing of grant payments we recorded a loss of \$77, 477, however, our cash balance at 30 June 2020 was \$342, 674 which exceeds forwards commitments to projects and other liabilities.

One aspect of the 'new normal' that has resulted from the pandemic is the increased use of digital platforms to conduct business. An example has been the use of Zoom to conduct Board and RDE Committee meetings, with considerable savings to the company in terms of flights and accommodation.

Our research activities are summarised in the Executive Officer's report which shows we are facilitating 12 research and business development projects at present. Through our partnership agreement with the FRDC we have been intimately involved in the development of *Vision 2030* and the development of the FRDC's new 5-year strategic R&D Plan. Following extensive review, the FRDC plans to continue the Industry Partnership Arrangements and we look forward striking a new partnership later this year. We thank our various research partners, especially the South Australian Research and Development Institute (SARDI) and the Institute for Marine and Antarctic Studies (IMAS) for their contributions to the program.

On behalf of the Board I would like to thank our member organisations, South Australian Rock Lobster Advisory Council (SARLAC), the Tasmanian Rock Lobster Fishermen's Association (TRLFA), the Victorian Rock Lobster Association (VRLA) and the Australian Southern Rock Lobster Exporters Association (ARLEA) for their support during the year. Our thanks also go to the state representatives on the RD&E Committee and to the FRDC for their ongoing support of SRL. My thanks also go to our Executive Officer, Tom Cosentino, for his support and tireless efforts in representing the interests of our members.



Prof Colin Buxton

October 2020

Executive Officer's Report

As Colin Mentioned in his report, this year has been more challenging than any in our history with the global Covid-19 pandemic significantly impacting all aspects of the seafood industry. Despite these challenges our industry continues to perform well, providing arguably the world's best lobster to discerning markets both here at home and overseas.

This report will detail the two distinctly different halves of the 2020 financial year: where we have come from, and where we hope to be as a global 'new normal' takes shape.

The Industry Partnership Agreement

The Company's Industry Partnership Agreement with the FRDC had an end date of 30 June 2020, but was extended for a six month period until 31 December 2020 while FRDC underwent an extensive review of its funding arrangements and the development of their new 5-yr Strategic Plan. Over the coming months, we will consult with the FRDC to establish a new agreement to facilitate the Company's strategic vision.

During this reporting period, the IPA facilitated the following projects:

- 2016-258: Assessing the efficiency of alternative pot designs for the Southern Rock Lobster (*Jasus edwardsii*) Fishery. - Lachlan McLeay (SARDI)
- 2017-224: Clean Green program, revision, digitisation & extension across the supply chain. - Ross Hodge (SRL)
- 2018-004: SafeFish - Natalie Dowsett (SARDI)
- 2016-208: Waste to profit in Urchin Fisheries - John Keane (UTAS)
- 2018-128: Implementing and evaluating the Australian Seafood Trade Agenda - Jayne Gallagher (Honey & Fox)
- 2016-410: SRL Industry Partnership Agreement (IPA) - Thomas Cosentino (SRL)
- 2017-082: Ensuring monitoring and management of bycatch in Southern Rock Lobster fisheries is best practice - Rafael Leon (UTAS)
- 2018-176: Refining the Southern rock lobster supply chain Peter Liddell (KPMG)
- 2019-028: Improving Southern Rock Lobster on-vessel handling practices, data collection and industry tools for lobster quality assessment Quinn Fitzgibbon (UTAS)
- 2018-083: Assessing the impact of marine seismic surveys on commercial scallop and Southern rock lobster larvae – Jayson Semmens (UTAS)
- FN51868: Minor Use Permit development for use of AQUI-S (isoeugenol 540g/L) by the Australian lobster industry Matt Landos (Future Fisheries Veterinary Service Pty Ltd)
- 2019-130: Larval dispersal for Southern Rock Lobster and Longspined sea urchin to support management decisions – Katie Cresswell – (UTAS)

Research, Development and Extension (RD&E)

The RD&E Committee met once during the financial year. I spoke with each of the members independently during the lockdowns to touch base regarding the future research agenda. I found

that my conversations with Hilary Revill, Toby Jeavons and Annabel Jones were extremely worthwhile in terms of hearing the activities in each State.

From these conversations and from previous meetings, it is expected that new research and development concepts in the following areas will take shape:

- Close kin mark recapture
- Impacts of seismic testing on Southern rock lobster
- Stable isotope testing for lobster provenance
- Coastal monitoring using buoys

As always, I encourage fishers, through their peak bodies or other networks, to bring forward research ideas that they expect will benefit the fishery. I am available at any time to assist in the development of concepts so that they can be brought to the Committee and Board for discussion.

Traceability

This year, I spent time with SourceCertain International (SCI) developing the framework for a traceability system for SRL based on stable isotope testing. SCI are known to several other seafood sectors in Australia, having assisted the Australian Council of Prawn Fisheries in implementing hi-tech forensic technology which is used to scientifically test if prawns are wild, and to identify the fisheries they are from. I believe that traceability will play an integral role in the future of marketing of SRL and I will continue working with SCI and other parties on developing projects that will ensure SRL maintains its premium market position and remains modern and relevant in an increasingly digital marketplace.

CRC Opportunities

Southern Rocklobster Limited has committed financial support to two Cooperative Research Centres that align with our Strategic Plan 2022. The Smarter Regions CRC and the Thriving Coasts CRC are both in the developmental stages and it expected that by the 2022 financial year, the Company will have pitched project concepts.

Covid-19

On the morning of Friday 24 January 2020, SRL Director Roger Rowe telephoned me and advised that some processors had ceased purchasing lobsters indefinitely pending more news from a developing health situation in Wuhan.

By the end of the day, processors were reporting that most, if not all of their customer orders had been cancelled. As this was the day before the Chinese Lunar New Year, most fishing businesses and processors were carrying significant amounts of stock in tanks, live wells and coffs. Throughout the course of the day it became apparent that the situation could be a repeat of the 2002 SARS outbreak. I recall some conversations that day estimating that the effects of the 2020 outbreak could last 'as long as six weeks'.

Southern Rocklobster Limited facilitated conversations as immediately as possible with the relevant government departments in each of the three States. The objective on day zero was to ascertain the possibility of rolling uncaught fishing quota into the 2021 year as well as the framework for allowing the release of crayfish from live wells and coffs. I am deeply grateful for the swift reactions of all three State's fisheries management teams in allowing for the provision of regulations to roll quota over as this significantly reduced the stress and anxiety felt by fishing businesses, and in particular those who leased quota. In Tasmania and South Australia, approximately 142 tonnes of quota was rolled over into the following period.

After the immediate shock to the supply chain resulting from lockdowns in China, Southern Rocklobster Limited worked closely with Seafood Industry Australia to lobby the Commonwealth Government to expand the Farm Household Allowance to fishing businesses. It was expected at the time that this would deliver instant cash relief to businesses affected by the drop in the lobster trade. After several years of lobbying, the Farm Household Allowance was made accessible to wild catch fishing businesses in February 2020.

Significant time during the autumn and winter were spent with various stakeholders to assess the situation, quantify industry losses and plan for the year ahead. These discussions culminated in the planning for an early opening of the South Australian Southern Zone season as well as a mechanism that would allow sufficient air freight for the peak summer season.

The International Freight Assistance Mechanism (IFAM)

One of the flagships of Australia's Covid-19 response is the IFAM. The program is the culmination of several discussions between the Commonwealth Government Seafood Industry Australia, the Seafood Trade Advisory Group, Southern Rocklobster Limited and several other export industry bodies.

As border closures caused a significant reduction in international air travel beginning in March 2020, IFAM was established to subsidise air freight on the trickle of remaining repatriation and medical equipment import flights. Since its establishment, IFAM has received a second round of funding from the Commonwealth Government and SRL exporters have been able to capitalise on routes that have been specifically implemented for our industry thanks to extensive consultation between Southern Rocklobster Limited and the IFAM and Austrade teams.

At the time of writing this report, there are two Singapore bound flights from Adelaide each week



An IFAM supported Singapore Airlines flight ex-Adelaide being loaded with cargo including Southern Rock lobsters. Photo Credit: Minister Simon Birmingham

being utilised by our industry for the first time in its export history. In addition, a weekly charter flight from Melbourne to Shanghai is being heavily utilised by exporters to meet demand. The IFAM team has scheduled these flights to arrive in China in the morning to better facilitate our product clearing customs in a timely fashion at a cooler time of day.

At the peak of our season, we expect that up to 100 tonnes of Southern rock lobsters per week could be exported on IFAM supported flights. One exporter described IFAM to me as the 'lifeblood of our industry'. I would like to express my gratitude to Michael Byrne and Rachel Howard from Austrade for their work at the coal face on behalf export sectors.

The Seafood Trade Advisory Group (STAG)

The STAG has proven to be an extremely worthwhile investment for the SRL industry in 2020. On multiple occasions this year, a communication pathway to the Federal government and relevant Ministers has been imperative to maintain our market access. Through the STAG, and its Chair Nathan Maxwell, SRL has been kept amongst the top priorities of the various authorities that we rely on for our product to reach its customers. The STAG often conducts its activities under high pressure with little notice and in 2020 performed extremely well under the circumstances. It was especially pleasing that the Western Rock Lobster Council, among other seafood groups, have joined the STAG this year. As a collective force these, I am confident that market access and relevance in wider export commodity landscape will be maintained.

NZ Seafood Conference & Trans-Tasman Lobster Congress

Our Chair and I travelled to New Zealand in August 2019 to attend the New Zealand Seafood Conference and the Trans-Tasman Lobster Congress which were held in Queenstown. Both events were highly impressive and for me, have fostered a new admiration of New Zealand's fishing industry. Their industry has some distinct parallels with our own in that it comprises many businesses ranging in size from small artisanal family-owned businesses through to large scale modern enterprises adopting world leading technology. It is also apparent that despite being a small, isolated and pristine island nation like ours, their industry faces many similar issues. Resource sharing, corporatisation and animal welfare are examples of these and I am grateful to have regular contact with Daryl Sykes and Mark Edwards from the NZ Rock Lobster Industry Council who I often call on for their wise advice.

Southern Rocklobster Limited facilitated eight bursaries to the Congress in 2019. Two candidates from each of SRL's members were selected by their Associations to attend to represent our sector. I have received very positive feedback from the candidates and it is pleasing to know that there will be some very capable successors to the leadership roles within our industry.

China Fisheries & Seafood Expo - Qingdao

In October 2019, Southern Rocklobster Limited Directors Clive Perryman, Markus Nolle, Michael Blake and I travelled to the China Fisheries and Seafood Expo in Qingdao. I would like to thank the Department of Agriculture, Water and the Environment that provided a bursary for us to attend through its Australia-China Agricultural Co-operation Agreement program.

The Expo is the biggest of its kind in the world, with several hectares of undercover stalls presenting seafood and processing equipment from all over the world. Of the Australian contingent hosting stalls, SALCO-Fiordland provided one of the most impressive experiences with a live holding tank of SRL which attracted interest over the three day event, including some of the top-brass of the current Chinese administration and their entourages.



Markus Nolle (VRLA) piloting an unmanned underwater vehicle at the CFSE2019. These vehicles are being trialled in urchin removal exercises.



Clive Perryman (TRLFA) with a trader at the Chengyang market in Qingdao.

Undertaking the ACACA Mission to China presented the opportunity to achieve firsthand a better understanding of how SRL is received and distributed and to discuss any issues associated with relevant agencies. It also provided a platform to identify changes, as well as other opportunities for the trade of SRL into China.

The Directors and I were reinvigorated to pick up some initiatives and discussions that were started in Australia, with a new global context. Spending a week together allowed us to also discuss the industry in great depth.

During the trip we visited a high-end Hema supermarket in Shanghai with customer accessible live seafood as well as met with the CEO and Managing Directors of Orna-Tas, the tropical lobster aquaculture company based in Tasmania. A highlight of the trip was a private tour of Chengyang Market in Qingdao, which

sees \$AUD 1 billion of transactions annually under its roof and a meeting with its management team. The facility is modern, clean and in some parts of the market, it is even refrigerated. It is evident that as the eight largest market in China, Qingdao provides at least one option for diversification of our customer base into other Chinese cities.

Senate inquiry into the impact of seismic testing on fisheries

In September 2019, the Senate referred to the Environment and Communications References Committee for an inquiry into the Impact of seismic testing on fisheries and the marine environment. Southern Rocklobster Limited, on behalf of its members, made a submission to the enquiry on the known impacts of seismic on *Jasus edwardsii*. The submission was a synthesis of learnings from the suits of projects conducted by Jayson Semmens and his team at IMAS, many of which have been partly funded by the southern rock lobster industry. In my view, research into seismic testing is a tangible outcome from a well-functioning industry levy structure and partnership agreement with a research and development corporation.

Southern Rocklobster Limited were also invited to give evidence to the Inquiry via videolink in September 2020. The Committee's report is expected to be handed down in 2021.

SafeFish Prioritisation

Southern Rocklobster Limited continues to support the national SafeFish program which provides technical advice to support Australia's seafood trade and market access negotiations and helps to resolve barriers to trade. In my view, SafeFish is fundamental to the success of our industry and I have no doubt that its role will become even more obvious as 'safe' food becomes a focus of international markets this year.

Amongst the issues or hazards that were suitable for consideration by SafeFish in the 2019 prioritisation process and are key areas of interest to the SRL industry were:

- Better understanding of risks associated with the consumption of raw seafood in Australia
- Food fraud and food authenticity
- Harmful algal blooms (HABs) and their impact on seafood – non-traditional vectors of paralytic shellfish toxins
- Lead in seafood (excluding fish)
- Review of the microbiological criteria relating to seafood in the Food Standards Code
- Seafood Industry Response Plans
- Without the collaboration with SafeFish, the SRL industry would not be sufficiently addressing each of these areas.

I would also like to express my deep condolences to Spiro Markantonakis' family. Spiro passed away in June 2020 and was remembered by the SafeFish community as a friendly, kind, humble and hard-working member of the SafeFish group. I recall that it was Spiro who sat beside me at my first SafeFish meeting in 2018 when I was unfamiliar with the process and content of the meetings. I will remember Spiro fondly as many others will.



SafeFish prioritisation workshop in Adelaide.

Our Clean Green Brand

Clean Green annual audits in 2019 were conducted in several locations. Audits were carried out on the Yorke Peninsula, Port Adelaide, the South East, Queenscliff and King Island.

In hindsight, covering a lot of ground in 2019 has proven to be very beneficial. With border and travel restrictions still in place, it is likely that audits will only be carried out in South Australia this year as this is where the Clean Green auditor resides. Audits have been tentatively booked for November 2020. In October 2020, Ross Hodge, Justin Phillips and I will meet again with AMSA to discuss the program and its status as an equivalent solution for various safety requirements.

The Clean Green program continues to garner the interest of other domestic and international fishing groups who consider it a huge achievement as a self-sustaining, industry-led and voluntary program.

Communications and Extension

All of the final reports and findings of SRL industry projects are available on the Company's website at <https://www.southernrocklobster.com/research>.

Other industry news is available on the homepage on a rolling basis.

Industry Partners and Stakeholders

SRL acknowledges the financial support that the Southern Rock Lobster industry receives for research, development and extension activities from the Australian Government through the Fisheries Research & Development Corporation.

SRL expresses its sincere gratitude to PIRSA, the VFA and DPIPW for supporting the Company's RD&E Committee and thank the representatives they have nominated for the excellent contribution they have made.

Thank you to our primary research providers in SARDI and IMAS who not only carry out the stock assessments and harvest strategies for Southern rock lobster, but make a valuable contribution to our industry's identity as one of the best managed in the country.

SRL would like to thank all the organisations that have communicated their project proposals and submitted applications for consideration for their efforts and cooperation.

The year ahead

The industry faces a world of unknowns in 2020. For the first time in history, the South Australian Southern Zone opens in September and the city of Melbourne remains locked down, causing logistical issues for transport to and from Tullamarine. I can say, though, that the work done in offices and on laptops during winter has held the industry in the best possible stead for the year ahead. At the time of writing this report, the news from the Limestone Coast that prices are back above \$AUD100/kg at the beach is extremely pleasing and validates all of the work done over eight of the toughest months we have experienced.

Currently, the industry is primarily focussed on short-term objectives and regrettably may be restricted to doing so until there is some relative stability in the global economy. Maintaining consistent trade through to the Chinese Lunar New Year in 2021 will be a key milestone.

Throughout this difficult period, the Company was supported by an extremely capable Board of Directors and I thank them for their dedication and generosity in volunteering significant amounts of time to help guide Southern Rocklobster Limited in moving forward.

In particular, I would like to thank our Chair for his ongoing guidance, support, hospitality and patience throughout the 2020 year.

To the fishermen of the SRL fleet - in this season of uncertainty, rest assured that the work you do is the lifeblood of our coastal towns. Be safe on the water and we will continue to support you from the land. Thank you for your contributions to maintain the industry and I wish you all the best for the summer ahead, and look forward to looking back on this season with you and the work we did to see it through.



Tom Cosentino
Executive Officer
Southern Rocklobster Limited (SRL)
September 2020

Southern Rocklobster Limited

Financial Statements

For the Year Ended 30 June 2020

Southern Rocklobster Limited

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For the Year Ended 30 June 2020

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Directors' Report

30 June 2020

The directors present their report on Southern Rocklobster Limited for the financial year ended 30 June 2020.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Prof Colin David Buxton

(Chair)

Colin's career in marine science spans over forty years and includes senior leadership and administrative responsibilities over large and diverse R&D programs in both South Africa and Australia. He retired as Director of Fisheries, Aquaculture and Coasts at the Institute for Marine and Antarctic Studies (IMAS), University of Tasmania in 2013. Prior to this he was the founding Director of the Tasmanian Aquaculture and Fisheries Institute (TAFI) at UTAS. He has also held senior positions at the Australian Maritime College in Launceston and at Rhodes University in South Africa.

His research career has focused on the effect of exploitation on life-history, biology and ecology of reef fish important to inshore recreational and commercial fisheries. Currently his research focus is on evaluating the effectiveness of marine protected areas as a fishery management and conservation tool. He has published widely in his field and is author of over 120 publications, 77 in the peer reviewed literature. He has broad knowledge and experience in coastal marine environments, fisheries and aquaculture and is a frequent consultant and advisor to governments and other public and private agencies in Australia, Africa and the United States. A fellow of the Australian Institute of Company Directors, he has served on the boards of several companies and organizations, including the Seafood CRC. Currently these include the Fisheries Research and Development Corporation, the Tasmanian Environment Protection Authority and the Marine Farming Panning Review Panel. He is also chair of the National Fisheries Advisory Council.

Mr John Sansom

John is the CEO of the Tasmanian Rock Lobster Fishermen's Association and also a past President. An active fisher for 40 years he still owns a fishing vessel and a Tasmanian Rock Lobster Entitlement. John has held a long-time appointment as a member of the Crustacean Fisheries Advisory Committee in Tasmania and is a member of the SE Marine Parks Advisory Committee. John is also a member of TASRAC.

Mr Roger Rowe

Roger's family company operates two rock lobster licenses/vessels out of Port Lincoln in the South Australian Northern Zone. Through family agriculture company interests, Mr Rowe also has 35 years of experience in irrigation intensive farming and has served on a number of local Boards of Grower and Irrigation industries including the Grape Industry and Phylloxera Board Central Area Committee. He has also served as Chairman, Vice Chairman and Public Officer of various grower organisations and incorporated bodies.

Directors' Report

30 June 2020

1. General information

Information on directors

Prof Caleb Gardner	Caleb holds a Doctor of Philosophy, Applied Science and further degrees and a Masters Sciences and Economics and has published numerous marine science papers, particularly in the field of southern rock lobster. Professor Caleb Gardner is an Associate Professor and the leader of the Fisheries Program at the Institute of Marine and Antarctic Studies, UTAS in South East Australia. He also leads the Australian national research activities on wild harvest fisheries at the Australian Seafood Cooperative Research Centre.
Mr Clive Perryman	Clive is an active quota owner and vessel operator in the Tasmanian Rock Lobster Fishery. He has been a member of the TRLFA since 1997, joining the Board in 2011 and then taking on the role of President in 2014. Clive is also a Graduate of the National Seafood Leadership Program.
Mr Markus Nolle	<p>Mr Markus Nolle has a science degree with a double major in computer science.</p> <p>After 20 years in business and IT services including working in the United Kingdom, Markus moved to coastal Victoria and in 2007 purchased a commercial rock lobster vessel, licence and quota in the state's Western Zone fishery. He is still an active fisher and is also the President of VRLA, Director and Deputy Chair of SI and actively participates on many fishery committees.</p>
Mr Michael Blake	Michael is the Tasmanian Manager of the South Australian Lobster Company. He has previous experience as a lobster fisher and is currently based in Hobart. Michael is also the executive officer of the Australian Southern Rock Lobster Exporters Association (ARLEA) and provides the company with valuable insights into the supply chain and logistics of SRL export.
Mr John Brady	Mr John Brady began his corporate career in Ireland in 1980 as a marketing coordinator in Ireland with KOSS International. Since then, John worked in Saudi Arabia, the UAE, Switzerland and Britain before moving to Australia with PWC as a Director. John has a wealth of experience managing large multinational companies, particularly in the primary industries and food. John is currently the CEO of the Ballande Groupe Australasia, two of which focus on the processing of premium seafood into China, Hong Kong and Taiwan.
Mr Mark Fabris	Mark Fabris is a southern rock lobster fisher based in Southend in South Australia's South-East. He skippers his own vessel and is also a board member of the South Australian Rock Lobster Advisory Council and the Limestone Coast Fishermen's Co-operative.

Directors' Report

30 June 2020

1. General information

Information on directors

Mr Wayne Dredge

Wayne is a commercial fisher from Lakes Entrance in Victoria. In 2014 he received a Nuffield Scholarship, supported by the Fisheries Research and Development Corporation and Woolworths. Wayne researched various methods of fishing for species such as Gummy Shark and assessed the environmental outcomes of the techniques on fish stocks and broader environment. He also has experience fishing in the Commonwealth Southern Shark Fishery and the Tasmanian and Victorian Southern Rock Lobster Fisheries.

As owner/operator of the "Opal Star", Wayne spends up to eight months a year at sea, with annual harvest averages of around 15 tonne of Southern Rock Lobster and 25 tonne of primarily Gummy Shark. Other catch includes Octopus, some scale-fish and crabs.

Mr Thomas Cosentino
(Executive Officer)

Holding degrees in Law and Commerce Tom has worked in agribusiness advisory and project management since 2016. Prior to that, Tom worked as an accountant at PKF Australia in business advisory services and insolvency.

Tom was admitted to the Supreme Court of South Australia as a barrister and solicitor in 2016.

Tom's first venture into the commercial fishing industry was project manager of Wildcatch Fisheries SA Inc's 'Fair Fish' initiative, a digital platform for consumer direct seafood sales. The project won the delicious food magazine award for Outstanding Innovation 2018.

Tom also consults to the Victorian Strawberry Industry Development Committee as the Executive Officer and tutors in small business and management at the University of Adelaide.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Southern Rocklobster Limited during the financial year was

- Meeting the milestone reporting requirements of current projects as detailed in the year in review.
- Focussing on the key areas of the SRL Strategy 2022 (strategic plan)
- Responding to serious challenges to work practices/ vessel operations, food safety and evolving environmental regulations through the Clean Green Program.

No significant changes in the nature of the Company's activity occurred during the financial year.

Directors' Report

30 June 2020

1. General information

Short term objectives

The Company's short term objectives are to:

- Assist the Southern Rock Lobster Fisheries in South Australia, Victoria and Tasmania to value-add and market Southern Rock Lobster in such a way that members' practices and products are recognised as the best in the world
- Maximise the economic and social regards for members, communities and Australia
- Cooperatively identify and achieve objectives of mutual benefits to its members.

Long term objectives

The Company's long term objectives, as per the SRL Strategy 2022, are to:

- Secure access to sustainable resource, harvested efficiently
- Valued by the community
- Premium market position
- An engaged and influential SRL
- Professional people and strong governance.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted 16 strategies as listed in the SRL Strategy 2022 Report.

Key performance measures

SRL operates in accordance with an Annual Operating Plan which includes a range of performance measures.

Operating results and review of operations for the year

Operating results

The loss of the Company amounted to \$ (147,413), after providing for income tax.

Directors' Report

30 June 2020

2. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Meetings of directors

During the financial year, 2 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Prof Colin David Buxton	2	2
Mr John Sansom	2	2
Mr Clive Perryman	2	2
Prof Caleb Gardner	2	2
Mr Roger Rowe	2	2
Mr Mark Fabris	2	-
Mr Markus Nolle	2	2
Mr Wayne Dredge	2	1
Mr John Brady	2	2
Mr Michael Blake	2	2

Southern Rocklobster Limited


Directors' Report

30 June 2020

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Prof Colin David Buxton

Dated this 5th day of October 2020

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of Southern Rocklobster Limited:

As lead auditor for the audit of Southern Rocklobster Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

- + no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and
- + no contraventions of any applicable code of professional conduct in relation to the audit.



ACCRU⁺ HARRIS ORCHARD



**LUKE BOLLMEYER
DIRECTOR**

Dulwich, 5 October 2020

Southern Rocklobster Limited

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	5	229,795	829,146
Employee benefits expense		(32,850)	(32,850)
Depreciation and amortisation expense		(80,975)	(2,931)
Clean Green costs		(81,314)	(151,264)
Principle Investigator costs		(75,000)	(75,000)
Travel costs		(58,550)	(37,027)
Other expenses		(48,946)	(126,388)
Loss before income tax		(147,413)	405,222
Income tax expense		-	-
Total comprehensive income for the year		(147,413)	405,222

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

Southern Rocklobster Limited

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	342,674	472,277
Trade and other receivables	8	14,221	27,500
Other assets	11	2,046	10,528
TOTAL CURRENT ASSETS		<u>358,941</u>	<u>510,305</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	10,763	-
Intangible assets	10	125,871	145,648
TOTAL NON-CURRENT ASSETS		<u>136,634</u>	<u>145,648</u>
TOTAL ASSETS		<u><u>495,575</u></u>	<u><u>655,953</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	11,550	24,140
Revenue in advance	13	-	375
TOTAL CURRENT LIABILITIES		<u>11,550</u>	<u>24,515</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>11,550</u>	<u>24,515</u>
NET ASSETS		<u><u>484,025</u></u>	<u><u>631,438</u></u>
EQUITY			
Retained earnings		<u>484,025</u>	<u>631,438</u>
TOTAL EQUITY		<u><u>484,025</u></u>	<u><u>631,438</u></u>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

Southern Rocklobster Limited

Statement of Changes in Equity
For the Year Ended 30 June 2020

2020

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2019		631,438	631,438
Loss for the year		(147,413)	(147,413)
Balance at 30 June 2020		484,025	484,025

2019

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2018		226,216	226,216
Profit for the year		405,222	405,222
Balance at 30 June 2019		631,438	631,438

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

Southern Rocklobster Limited

Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		82,077	43,121
Payments to suppliers and employees		(302,636)	(431,607)
Other receipts		162,916	760,436
Net cash provided by/(used in) operating activities		(57,643)	371,950
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible asset		(59,848)	(145,648)
Purchase of property, plant and equipment		(12,112)	-
Net cash provided by/(used in) investing activities		(71,960)	(145,648)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase/(decrease) in cash and cash equivalents held		(129,603)	226,302
Cash and cash equivalents at beginning of year		472,277	246,475
Cash and cash equivalents at end of financial year	7	342,674	472,777

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Southern Rocklobster Limited as an individual entity. Southern Rocklobster Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Southern Rocklobster Limited is Australian dollars.

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

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

There have been no key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058.

Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

There has been no impact of the adoption of AASB 16 on these financial statements as there are no leases in place.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

FRDC Funding

Southern Rocklobster Ltd has a funding agreement in place with the FRDC (Fisheries Research and Development Corporation), where the Company is contracted to deliver on specific performance obligations over the term of the agreement.

The contracts contain sufficiently specific performance obligations and are considered enforceable under the applicable laws..

Furthermore, revenue from the contracts is recognised as and when the services are provided/ consumed as there are specific deadlines indicated when the Company needs to provide the deliverables to FRDC.

Membership Fees

These fees are the annual membership for the Clean Green Program. This program was developed as a response to serious challenges to work practices/ vessel operations, food safety and evolving environmental legislation.

Under AASB 15, the recognition of membership fees will remain unchanged.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Interest Revenue

Interest is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	20%
Software Development	40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company. The company does not have any leases in place.

Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment and intangible assets

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key judgement - Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)		
- FRDC funding	151,125	758,900
- membership fees	67,106	68,246
- other grants	11,364	-
Total revenue from contracts with customers	229,595	827,146
- interest income	200	2,000
Total revenue recognised on receipt	200	2,000
Total Revenue	229,795	829,146

6 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Other expenses:		
Employee benefits expense	32,850	32,850
Depreciation expense	80,975	2,931
- Bad debts	2,888	-

7 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	342,674	472,277
Total cash and cash equivalents	342,674	472,277

8 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	12,354	27,500
GST receivable	1,867	-
Total current trade and other receivables	14,221	27,500

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Property, plant and equipment

	2020	2019
	\$	\$
Plant and equipment		
At cost	12,113	-
Accumulated depreciation	(1,350)	-
Total plant and equipment	10,763	-
Total property, plant and equipment	10,763	-

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Total
	\$	\$
Year ended 30 June 2020		
Balance at the beginning of year	12,113	12,113
Depreciation expense	(1,350)	(1,350)
Balance at the end of the year	10,763	10,763

10 Intangible Assets

	2020	2019
	\$	\$
Patents, trademarks and other rights		
Cost	6,277	-
Accumulated amortisation and impairment	(458)	-
Net carrying value	5,819	-
	2020	2019
	\$	\$
Software Development		
Cost	202,608	148,579
Accumulated amortisation and impairment	(82,556)	(2,931)
Net carrying value	120,052	145,648
Total Intangibles	125,871	145,648

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Intangible Assets

(a) Movements in carrying amounts of intangible assets

	Patents, trademarks and other rights \$	Software Development \$	Total \$
Year ended 30 June 2020			
Balance at the beginning of the year	-	156,941	156,941
Additions	6,277	54,028	60,305
Amortisation	(458)	(79,625)	(80,083)
Other changes, movements	-	(11,292)	(11,292)
Closing value at 30 June 2020	5,819	120,052	125,871

11 Other Assets

	2020 \$	2019 \$
CURRENT		
Prepayments	2,046	10,528
Total other assets	2,046	10,528

12 Trade and Other Payables

	Note	2020 \$	2019 \$
CURRENT			
Trade payables		11,550	16,352
GST payable		-	7,788
Total current trade and other payables		11,550	24,140

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Revenue in advance

	2020 \$	2019 \$
CURRENT		
Amounts received in advance	-	375
Total revenue in advance	-	375

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 3 (2019: 3).

15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 30,000 (2019: \$ 30,000).

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

17 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

18 Statutory Information

The registered office of the company is:

Southern Rocklobster Limited

Level 9

81 Flinders Street

ADELAIDE SA 5000

The principal place of business is:

3957 Victor Harbor Road

HINDMARSH VALLEY SA 5211


Southern Rocklobster Limited

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 
Prof Colin David Buxton

Dated this 5th day of October 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTHERN ROCKLOBSTER LIMITED**

Opinion

We have audited the financial report of Southern Rocklobster Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Southern Rocklobster Limited is in accordance with the *Corporations Act 2001*, including:

- + giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year then ended; and
- + complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- + Identify and assess the risks of material misstatement of the financial report, 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.
- + 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 Company's internal control.
- + Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- + Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 report 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 Company to cease to continue as a going concern.
- + Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.



ACCRU⁺ HARRIS ORCHARD



**LUKE BOLLMEYER
DIRECTOR**

Dulwich, 5 October 2020