

ANNUAL REPORT



Chairman's Report

Last year we observed that the global pandemic was one of the greatest challenges that our industry had ever encountered. Little did we know that the pandemic was just the foundation for things to come, as we fell into the most significant market access interruption in our history.

The past eighteen months have taken a significant toll on business and fishers both financially and psychologically. The issues that kept arising during the 2021 financial year felt relentless and there were few moments of good news to offer reprieve. After losing access to our key China market, the industry scrambled to find new markets in a global trade setting of significant curfews for restaurants and communities, border closures and reduced air freight capacity. The fact that our three fishing jurisdictions came even close to catching their TACC is a testament to the resilience of the industry.

Once again, we must express our gratitude to Senators Jonathon Duniam and Simon Birmingham and their State counterparts for their ongoing support for our Industry and the various packages put forward to assist fishers and exporters in these very difficult times.

The company financial statements show that the organisation remains on a sound financial footing. We recorded a modest profit of \$4,078 and our cash balance at 30 June 2021 was \$403,499 which exceeds forward commitments to projects and other liabilities.

Through the year SRL's core business has been to facilitate industry's R&D agenda through our Industry Partnership Agreement (IPA) with the Fisheries Research and Development Corporation (FRDC). Despite the challenges thrown up during the year, our research portfolio has made significant strides, the highlights of which include the digitisation of the Clean Green program and the completion of a Cadmium survey in record time. 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.

As the both the current IPA and SRL's Strategy 2022 draw to an end, we look forward to working towards a new set of positive and progressive objectives for the years ahead.

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. Last and by no means least our thanks also go to our Executive Officer, Tom Cosentino, for his support and tireless efforts in representing the interests of our members.

Professor Colin Buxton

Chairman

September 2021

Executive Officer's Report

At the time of writing my last report, I was under the impression that our industry was moving toward light at the end of the tunnel with respect to COVID-19 related market challenges. A promising start to the South Australian Southern Zone's season all but confirmed this. Unfortunately the positivity was short lived and by the end of October 2020, our industry was met with a second challenge in the form of disrupted market access, which became all consuming for industry stakeholders, administrators and researchers alike.

As such, the 2021 year can be divided into two chapters: COVID-19 challenges from 1 July 2020 to 31 October 2020; and the Market Access Challenges from 1 November 2020 onwards. As Colin mentioned in his report, , the Company's core business throughout the period has been to facilitate the industry's research and development agenda through its Industry Partnership Agreement (IPA) with the Fisheries Research and Development Corporation (FRDC).

The Industry Partnership Agreement

The Company's IPA with the FRDC has been extended until 31 December 2021. This extension has allowed additional time for industries to review the IPA template with a view to having entered into a new contract commencing 1 January 2022.

During the extension, management of projects has occurred as usual and the table below outlines projects being completed or progressed during the reporting period. Reports relating to completed projects will be available on the Company's website. If there is sensitive or commercial data, reports can be obtained by contacting me directly.

Project Name	Principal Investigator
2016-410: SRL Industry Partnership Agreement (IPA)	Tom Cosentino SRL
2021-020: Stable isotopes: a rapid method to determine lobster diet and trace lobster origin?	John Keane UTAS
2021-018:SafeFish 2021-2025	Alison Turnbull UTAS / Natalie Dowsett SARDI
2020-092:SafeFish extension - lobster	Alison Turnbull UTAS
2019-028: Improving Southern rock lobster on-vessel handling practices, data collection and industry tools for lobster quality assessment	Quinn Fitzgibbon UTAS
2019-153: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

2019-051:Examining the potential impacts of seismic surveys on Octopus and larval stages of Southern rock lobster	Jayson Semmens UTAS
2017-013: Rebuilding Southern rock lobster stocks on the east coast of Tasmania: informing options for management	Jeremy Lyle UTAS
2016-177: Traceability Systems for Wild Caught lobster, via Sense-T and Pathways to Market - Phase 2	Laurie Bonney & David Ward UTAS
2016-208: Waste to profit in Urchin Fisheries	John Keane IMAS
2018-128: Seafood Trade Advisory Group - developing, implementing and communicating the Australian seafood industry trade agenda 2019-2021	Jayne Gallagher Honey & Fox
2017-051: Extending biotoxin capability and research in Australia through development of an experimental biotoxin contamination facility to target industry relevant issues	Alison Turnbull UTAS
2016-258: Assessing the efficiency of alternative pot designs for the Southern rock lobster (<i>Jasus edwardsii</i>) Fishery.	Lachlan McLeay SARDI
2017-086: Improved risk management of paralytic shellfish toxins in Southern rock lobster	Gustaaf Hallegraeff UTAS
2017-224 Southern rock lobster Clean Green program, revision, digitisation & extension across the supply chain	Ross Hodge SRL
2018-176 Refine the Southern rock lobster Cold Chain	Peter Liddell KPMG

Research, Development and Extension (RD&E)

The RD&E Committee met once during the financial year against the backdrop of an intense industry focus on market conditions and access. The SafeFish Extension project was the key research activity for the reporting period and the substantial increase in activity of our service providers associated with the project meant that the development of new research concepts was challenging.

The SafeFish Extension project, led by Alison Turnbull (IMAS), set out to estimate the distribution of cadmium accumulation in lobster white meat according to likely key characteristics including size, sex, species, tissue, and geographic source. The outputs of the project were used in ongoing market access conversations with the Commonwealth Department of Agriculture, Water and the Environment.

The project began in November 2020 and its first phase was completed in August 2021. The project's steering committee will continue to discuss whether there is a need for the project to continue into the 2022 financial year.

Early in the reporting period, the RD&E Committee completed a mapping exercise to find opportunities for aligning our Company's Strategic Plan with the FRDC's new 2020-2025 R&D

Plan. I expect that in the 2022 financial year, the IPA will return to developing research concepts and projects and work on a new strategic plan for 2023 and beyond.

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.

It is worth noting that the Company's in principle contribution of \$100,000 to the Smarter Regions CRC still stands, and I will work on progressing the following concepts which have been touted as potential projects:

- Reliable, low-cost sensors for biosecurity/environmental alerts
- Correlation and prediction of species abundance/behavior
- Ability to federate and merge disparate datasets and extract actionable insights
- IoT sensors that help chart optimal energy saving navigation strategies
- Development of edge computing models that can run predictive/prescriptive analytics on harsh, low-bandwidth environments
- Development of labour-saving robotics enhanced through sensors and machine learning
- Predictive models taking into account market demand to maximise economic yield
- Dynamic real-time stock assessment model & fisheries management model
- Sensors and models to minimise impact on non-target species

Alternative Markets & ATMAC Funding

The Company has invested considerable time in working with Austrade and other stakeholders to assess the feasibility of exporting to a broader range of markets in the 2021/22 season and beyond. Austrade hosted several webinars that provided information on the Vietnamese, South Korean, Taiwanese, Japanese and Hong Kong markets. These webinars were well attended by industry stakeholders and there are developing signs of product servicing these markets already.

In July 2021, Seafood Industry Australia announced that it had been awarded a grant of \$888,000 from the Australian Government to develop and expand markets for Australian seafood exports. Our company was a party to the development of the application and provided

a letter of support for SIA during the application process. I am looking forward to being part of the strategic planning process going forward and hope that the grant can be utilised to assist our industry gain a foothold in several promising markets in Asia and beyond.

The International Freight Assistance Mechanism (IFAM)

As at 1 July 2020, our industry had not yet fully capitalised on IFAM version one. When the extension to the IFAM program was announced, I set out to ensure that it would provide maximum benefit to Southern rock lobster exporters in South Australia, Victoria and Tasmania. Through close collaboration with the IFAM team, and in particular with Rachel Howard and Bianca Carlsson, the industry managed to influence the subsidisation of several key routes ex-Adelaide and ex-Melbourne. As at 30 October 2020, SRL exporters had seven weekly options to export lobsters, which was comparable to pre-COVID conditions.

If there is a single silver lining of this reporting period it was that the South Australian Southern Zone, our industry's single biggest sector, was able to catch and export approximately 30% of its TACC at a sustainable beach price from its season opening on 15 September 2020 until market access issues were experienced in late October 2020. I regret that the other jurisdictions did not have the opportunity to enjoy both favorable market conditions and air freight capacity, but I hope that our work in building other markets and our new expertise in freight forwarding will lead to similar periods across the fleet in the coming season.

In preliminary discussions with the IFAM team ahead of the 2021/22 season it is apparent that there will continue to be valuable assistance provided through the continued operation of flights out of Adelaide, Tullarmarine and Hobart airports.

Our Clean Green Brand

Unfortunately, due to border closures preventing our independent auditor from travelling, the 2020 vessel audits did not go ahead. Ross Hodge and Justin Phillips have continued to liaise with AMSA about the equivalency of the Clean Green Program with their standards and I am hopeful that we will soon be able to announce that this has occurred.

I am heartened by the fact that AMSA is requesting to use our Company's safety video footage for their initiatives around National Safe Boating Week in October 2021.

The Clean Green Digitisation project is gearing up for roll out in the second half of 2021. I am pleased to be able to advise of progress on the project despite the array of challenges the Company has been facing. The instructional guides and presentation materials to be used for

conducting the training workshops have been developed and a roll out schedule has been prepared for each jurisdiction taking into account the start to fishing seasons.

We are now looking at options to develop an on-line training platform using all the guidance and presentation materials that have been developed as an alternative for proceeding with the face-to-face roll out to industry. It is envisaged that the platform can be developed within the existing project budget and would also provide a very useful resource for ongoing use by the 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 DPIPWE for supporting the Company's RD&E Committee and thank the representatives they have nominated for the excellent contribution they have made. The management authorities went above and beyond in the reporting period to ensure that uncaught quota could be equitably handled and in some instances be rolled over into the current and future seasons. Our industry owes a great deal of gratitude for how efficiently these processes took place.

I would like to separately thank Dr Annabel Jones for her service to the RD&E Committee and wish her all the best in her new management roles at PIRSA.

Thank you to our primary research providers in SARDI and IMAS who completely re-arranged their priorities and efforts in order to assist our industry with its urgent sampling needs this year.

I would like to thank Alison Turnbull and her team for her professionalism and tireless efforts in running the Safe Fish extension project as well as my fellow Lobster Working Group members. I thoroughly enjoyed being part of a highly effective and successful group throughout the 2020/21 season.

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

Finally, thank you to Colin Buxton for another year of sound advice and guidance under very challenging circumstances.

The year ahead

I believe that the shock of COVID-19 and market access issues have worn off. I am starting to sense that the industry has accepted the past and is ready to look towards the future. As time goes on, there is more and more positive news, albeit in small steps, emerging from new and old markets and I hope that by the time of writing my next report Southern rock lobsters will be on the menu in many more markets around the globe.

Tom Cosentino Executive Officer

Tallum

September 2021

Financial Statements

SOUTHERN ROCKLOBSTER LIMITED ABN 66 108 116 847 For the year ended 30 June 2021

Contents

- 3 Directors' Report
- 7 Auditor's Independence Declaration
- 8 Statement of Profit or Loss and Other Comprehensive Income
- 9 Statement of Financial Position
- 10 Statement of Changes in Equity
- 11 Statement of Cash Flows
- 12 Notes to the Financial Statements
- 21 Directors Declaration
- 22 Independent Audit Report

Page 10

Directors' Report

SOUTHERN ROCKLOBSTER LIMITED For the year ended 30 June 2021

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2021.

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 Aquaculture CRC and the Seafood CRC and currently the Fisheries Research and Development Corporation (Deputy Chair) He is also chair of the National Fisheries Advisory Council and a member of the Tasmanian Marine Farming Planning Review Panel.

Karl Krause

Karl along with Fiona, his wife and business partner, represent many generations of Tasmanian rock lobster fishing families from the north and north-east of the State.

Their family own substantial quota and vessel interests and are accomplished boat builders in their own right.

Karl is Tasmania's valued representative on the National Safety Council of AMSA as well as a member of the Tasmanian Crustacean Fishery Advisory Council.

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 anumber 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.

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.

M.T.(Rene) Hidding

Rene Hidding was appointed to the position of CEO of the Tasmanian Rock Lobster Fishers Association in late January 2021.

Following a career in his migrant family's hardware and building industry he was elected to the Tasmanian Parliament in 1996.

During his 23 years in public life he served as party leader and in senior ministerial roles. He also developed a career-long active interest in the commercial wild fisheries and aquaculture sectors around Tasmania.

He credits Karl Krause and his new Board with encouraging him out of retirement to apply for the role of CEO after John Sansom's retirement.

Rene Hidding serves on the Crustacean Fishery Advisory Council and also the Scale Fishery Advisory Council.

Mr Markus Nolle

Mr Markus Nolle has a science degree with a double major in computer science.

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.

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 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.

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.

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 profit of the Company amounted to \$4.047.87, after providing for income tax.

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

Directors meetings

Name of director	Number eligible to attend	Number attended
Prof Colin David Buxton	8	8
Mr John Sansom	5	5
Mr Clive Perryman	4	2
Prof Caleb Gardner	8	8
Mr Roger Rowe	8	7
Mr Mark Fabris	8	4
Mr Markus Nolle	8	7
Mr Wayne Dredge	8	8
Mr John Brady	6	4
Mr Michael Blake	8	5
Mr Karl Krause	3	2
Mr Rene Hidding	3	3

Auditor's independence declaration

A lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Prof Colin David Buxton

Chairman

Date: 13 September 2021



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 2021, 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.

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LUKE BOLLMEYER DIRECTOR

Dulwich, 13 September 2021

Statement of Profit or Loss and Other Comprehensive Income

SOUTHERN ROCKLOBSTER LIMITED For the year ended 30 June 2021

<u> </u>	NOTES	2021	2020
Income			
Revenue	5	270,590	229,795
Total Income		270,590	229,795
Other Income			
Other Income		104	427
Total Other Income		104	427
Total Income		270,694	230,222
Expenses			
Employee Benefits Expense		32,850	32,850
Depreciation and Amortisation Expense		56,964	80,975
Clean Green costs		48,130	81,314
Principle Investigator costs		68,750	75,000
Travel Costs		2,901	58,550
Other Expenses		57,050	48,946
Total Expenses		266,646	377,635
Profit/(Loss) before Taxation		4,048	(147,413)
Net Profit After Tax		4,048	(147,413)
Net Profit After Dividends Paid		4,048	(147,413)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Financial Position

SOUTHERN ROCKLOBSTER LIMITED As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Cash Equivalents	7	403,499	342,674
Trade and Other Receivables	8	-	12,354
Other Assets		6,952	2,046
Total Current Assets		410,451	357,074
Non-Current Assets			
Property, Plant and Equipment	9	9,762	10,762
Intangibles Asset	10	71,406	125,871
Total Non-Current Assets		81,168	136,633
Total Assets		491,619	493,708
Liabilities			
Current Liabilities			
Trade and Other Payables	12	(3,547)	(9,683)
Total Current Liabilities		(3,547)	(9,683)
Total Liabilities		(3,547)	(9,683)
Net Assets		488,072	484,025
Equity			
Retained Earnings		488,072	484,025
Total Equity		488,072	484,025

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Changes in Equity

SOUTHERN ROCKLOBSTER LIMITED For the year ended 30 June 2021

	2021	2020
Equity		
Opening Retained Earning	484,025	631,438
Profit/(Loss) for the year	4,048	(147,413)
Closing Retained Earning	488,073	484,025

Statement of Cash Flows

SOUTHERN ROCKLOBSTER LIMITED For the year ended 30 June 2021

	2021	2020
Operating Activities		
Receipts from customers	10,974	70,439
Payments to suppliers and employees	(219,601)	(301,176)
Other Receipts	270,951	173,552
Net Cash Flows from Operating Activities	62,324	(57,185)
Investing Activities		
Proceeds from sale of investments	(1,499)	(12,113)
Payment for investments	-	(60,306)
Net Cash Flows from Investing Activities	(1,499)	(72,418)
Financing Activities		
Other cash items from financing activities	-	-
Net Cash Flows from Financing Activities	-	-
Net Cash Flows	60,825	(129,603)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	342,674	472,277
Net change in cash for period	60,825	(129,603)
Cash and cash equivalents at end of period	403,499	342,674

Notes to the Financial Statements

SOUTHERN ROCKLOBSTER LIMITED For the year ended 30 June 2021

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. Comparatives are consistent with prior yearsunless 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. Summary of Significant Accounting Policies

(a) Revenue and other income

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

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 delivarables 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/ vesssel 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.

(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:

<u>Fixed asset class</u>	Depreciation rate
Office Equipment	25%
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.

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.

Financial assets

The Company's financial assets measured at amortised cost comprise trade and other receivables and cashand 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

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
- he 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.

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, therecoverable 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.

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.

	2021	2020
. Revenue and other income		
Revenue from contracts with customers (AASB 15)		
FRDC Funding	(240,000)	(151,125)
Membership Fees	-	(67,106)
Other Grants	257	(11,364)
Total revenue from contracts with customers	(239,743)	(229,595)
Consulting Income	-	(200)
Total revenue recognised on receipt Consulting Income	-	(200)
Total revenue recognised on receipt	-	(200)
Other Income		
Interest Received	(104)	(427)
Sundry Revenue	(30,847)	
Total Other Income	(30,951)	(427
Total Revenue and other income	(270,694)	(230,222

	2021	2020
6. Expenses		
Employee Benefit Expense	32,850	32,850
Depreciation and Amortisation Expense	56,964	80,975
Clean Green Costs	48,130	81,314
Principle Investigator Costs	68,750	75,000
Travel Cost	2,901	58,550
Other Expenses	26,203	48,946
Total Expenses	235,799	377,635
	2021	2020
7. Cash and Cash Equivalents		
Cash at Bank and in Hand	403,499	342,674
Total Cash and Cash Equivalents	403,499	342,674
	2021	2020
8. Trade and Other Receivables		
Trade Receivables	-	12,354
Total Trade and Other Receivables	-	12,354

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

	2021	2020
. Property, Plant and equipment		
Plant and Equipment		
Plant and Equipment (at cost)	12,113	12,113
Accumulated depreciation	(3,503)	(1,350)
Total Plant and Equipment	8,610	10,762
Office Equipment		
Office Equipments	1,499	-
Accumulated depreciation	(347)	
Total Office Equipment	1,152	-
Total Property, Plant and equipment	9,762	10,762

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 \$	Office Equipment \$	Total \$
Year ended 30 June 2021 Balance at the beginning of year	10,763	1,499	12,262
Depreciation expense	(2,153)	(347)	(2,500)
Balance at the end of the year	8,610	1,152	9,762

		202	1 202
0. Intangibles Asset			
Patents, trademarks and other rights			
Patents, trademarks and other rights (at cost)		6,27	7 6,27
Accumulated amortisation and impairment		(1,086	5) (458
Total Patents, trademarks and other rights		5,19	1 5,81
Software			
Software Development		202,60	8 202,60
Accumulated amortisation and impairment		(136,393	3) (82,556
Total Software		66,21	5 120,05
Total Intangibles Asset		71,40	6 125,87
a. Movements in carrying amounts of intangible assets	Patents, trademarks and other rights	Software Development	Total
	\$	\$	\$
Year ended 30 June 2021			
Balance at the beginning of the year	5,819	120,052	125,871
Amortisation	(628)	(53,837)	(54,465)
Closing value at 30 June 2021	5,191	66,215	71,406
	F		
		202	202
1. Other Assets			
Prepayments		6,95	2 2,04
Total Other Assets		6,95	2 2,04
		202	1 202
2. Trade and Other Payables			
Trade payables		(7,265	5) (11,550
GST		3,71	9 1,86
Total Trade and Other Payables		(3,547	7) (9,683

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. 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 2021 the number of members was 3 (2020: 3).

14. Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 30,000 (2020: \$ 30,000).

15. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None)

16. 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.

17. 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

Directors Declaration

SOUTHERN ROCKLOBSTER LIMITED For the year ended 30 June 2021

The directors of the company declare that:

- 1. The financial statements and notes, as set out on pages 8 to 23, in accordance with the Corporation Act 2001 and;
 - 1. comply with Australian Accounting Standards Reduced Disclosure Requirements; and
 - present fairly the company's financial position as at 30 June 2021 and its 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

Prof Colin David Buxton

Celin Freson

Chairman

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 2021, 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 2021 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.

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Adelaide Offices

Dulwich + McLaren Vale



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.

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LUKE BOLLMEYER DIRECTOR

Dulwich, 13 September 2021