



**AUSTRALIAN SEAFOOD INDUSTRIES
PROPRIETARY LIMITED
ACN 095 165 165**

**Annual Financial Report
For the Year Ended
30 June 2022**

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AUSTRALIAN SEAFOOD INDUSTRIES PROPRIETARY LIMITED
ACN 095 165 165
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Your directors present their report on the Company for the financial year ended 30 June 2022.

Company Directors

The names of directors in office at any time during or since the end of the year are as follows:

Dr Len Stephens	Chairman
Mr Nick Burrows	Deputy Chairman
Mr Ian Duthie	Director
Prof. Robert Banks	Director
Ms Jan Davis	Director (Retired 30 September 2021)
Mr Carl Jaeschke	Director (Retired 21 April 2022)
Mr Mark Binder	Director (Commenced 21 April 2022)

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

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Mr Graham Eric Marshall Bbus (Acctg & Law), FCPA, FAICD (Dip), MRMIA, CRMT. - Mr Marshall was appointed Company Secretary on 20 April 2016.

Principal Activities

The principal activities of the entity during the financial year were:

Genetic research in relation to the Pacific Oyster.

Commercialisation of that genetic research.

Conduct of a breeding program for the supply of genetically improved seed to industry.

Ancillary provision of administrative services for the Pacific Oyster industry.

There have been no significant changes in the nature of the principal activities during the financial year.

Operating Results

The Loss for the entity after providing for income tax amounted to (\$6,199) [2021 Loss (\$5,092)].

Dividends Paid or Recommended, Options

No dividends were paid or declared for payment nor is any recommendation made in respect of dividends as the Company is precluded by its Constitution from doing so. No options exist.

Review of Operations

The Company conducts Pacific Oyster breeding programs in Tasmania and South Australia. These are core activities that deliver to the entire industry genetically improved oysters with enhanced traits that improve with each generation. Brood stock from each new generation is supplied at no cost to hatcheries that have signed an agreement with the Company. In return, the hatcheries collect a service fee of \$2.80 per thousand spat sold to growers. The service fee is passed on to the Company.

The Company also conducts research projects that aim to improve the efficiency of the breeding programs and improve the commercially important traits of our oysters.

These projects include:

1. An agreement with Fisheries R&D Corporation for provision of \$984,455 (Project 2015-239, *POMS Resistant Oyster Breeding for Sustainable Pacific Oyster Industry in Australia*). This research grant was the outcome of an application to the Australian Government Department of Agriculture and Water Resources for emergency funding to continue ASI operations in the face of the POMS outbreak. The agreement was entered into on 27 May 2016 and concluded 30 June 2022.

2. An agreement with FRDC for the South Australian Pacific Oyster mortality trials (FRDC 2020-064). The total value of the project is \$331,700 over three years and ends in 2023. The aims of the project are: To increase the

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FOR THE YEAR ENDED 30 JUNE 2022

rate of genetic gain for SA survival. To investigate the relationship between environmental data and commercial breeding decisions. To develop industry agreed medium/long term breeding targets for SA survival. To work with PIRSA and SARDI scientists to develop an oyster sampling plan to allow further investigation into the causes of SA mortality if warranted.

3. An agreement with FRDC and the University of Tasmania whereby ASI is a contributor to the project to the amount of \$150,000 over two years finishing in 2023. The objectives of the project are: To undertake two breeding seasons in selection for POMS resistance in young spat. To investigate the molecular mechanisms underlying disease resistance to POMS. To recommence selective breeding for traditional important traits.

These research projects are important components of the Company's business and are critical to advance the breeding program. All projects are collaborative with oyster growers, oyster hatcheries and research organisations.

The activities of the Company are guided by the five-year Strategic Plan 2019-2024.

The years highlights included:

- Improved breeding results in both Tasmania and South Australia resulting from review and consultation with partner organisations, IMAS and SARDI. This has seen 80 Year Class 2020 families produced in both Tasmania and South Australia which will ensure excellent commercial broodstock numbers.
- First spat translocation from Tasmania to South Australia since biosecurity measures introduced in 2016 which required significant navigation of biosecurity hurdles and was assisted by a strong strategic relationship with PIRSA. This has resulted in highly POMS resistant broodstock becoming available to South Australian hatchery producers delivering an insurance policy for a POMS outbreak.
- Approval of a genomics project by Fisheries R&D Corporation. Incorporating genomics into the ASI program has been a high priority for several years and this project will allow work to commence in this area.
- Rollout and training for a new online broodstock catalogue which has been very well received by end users.
- Comprehensive IT review and resultant improvements leading to increased security and functionality for the ASI IT system.

Resignation of the Company's General Manager

In April 2022 Mr Matthew Cunningham, General Manager of ASI for the past fourteen years, announced his intention to resign from the company to pursue his family business interests. His resignation will come into effect in October 2022. Ms Lewa Pertl has been appointed to the position.

Financial Position

The Company's main source of ongoing revenue is a Service Fee on all Pacific Oyster spat. On the basis of the public good that will be derived from the production of POMS resistant oysters, ACCC made a Determination (Number A91444), which allows "ASI to make and give effect to arrangements, with Oysters Tasmanian (OT), South Australian Oyster Growers Association (SAOGA), South Australian Oyster Research Council (SAORC) and Pacific Oyster hatcheries for the collection of a Service Fee from oyster growers" with effect for 10 years beginning on 13 October 2014.

In 2000-01 ASI's shareholders, OT, SAOGA and SAORC provided start up contributions totaling \$495,860. These contributions have been recognised as Stakeholder Advances which underpin the costs incurred in developing the selective breeding program. The Company has written assurances from the shareholders that these advances are not repayable until cash flows allow.

The COVID19 crisis that began in February 2020 is still having an impact the Company's income from Service Fees, down from \$679,335 in 2021 to \$656,637 received this financial year. The Board is confident that sufficient funds are available to maintain the Company's operations. As a matter of good governance, the Board reviews its budget targets monthly.

There have been no other significant changes in the state of the Company's affairs, that significantly affected or may significantly affect the operations of the Company.

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After Balance Date Events

There have been no matters or circumstances, that 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.

However, the ongoing impact of COVID-19 is difficult to determine. The Company's greatest financial exposure to COVID-19 relates to the impact of the pandemic on the broader oyster industry and the corresponding impact on the quantum and collectability of the Company's revenue streams.

Future Developments, Prospects and Business Strategies

The Company continues to be guided by the Five-Year Strategic Plan 2019-2024, which is refreshed each year. The main objectives set out in the in the plan are:

1. Improve and clearly define our customer relations whereby commercial hatcheries are our primary customer and the growers are the ultimate beneficiary of the breeding program outcomes.
2. Continue to improve breeding of Pacific Oysters which contributes to profitability and sustainability of the Pacific Oyster industry.
3. Demonstrate and communicate the commercial benefits achieved by the breeding program.
4. Expand our business on a state-wide, national, and international basis through partnering with industry and developing key strategic alliances.
5. Make investments with partners to initiate genomic selection within the breeding program, and
6. Build diverse income streams and securing funding opportunities to reduce the reliance on the breeding Service Fee.

Peloton Business Review

During the year the board commissioned a review of the company by Peloton consultants. The objective of the review was to:

- Describe the value that ASI creates for hatcheries, individual oyster businesses and the industry as a whole.
- Review the company's operational model, costs of operation, and service fee collection mechanism to determine if they are appropriate and contemporary.
- Assess the suitability or otherwise of the company's governance and management arrangements.
- Review the company's role in R&D program management and opportunities to deliver new genetic services resulting from R&D.
- Consider whether the current ownership structure, being a for-profit company is effective and if appropriate suggest alternative structures.

The review will be completed in the first half on 2022-23.

Environmental Issues

The Company's operations are not directly subject to any environmental regulation under the law of the Commonwealth and State.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Information on Directors in Office on 30 June 2022 or at the date of this Report

Dr Len Stephens	— Director and Chairman
Qualifications	— Dip Agr Sci, BVSc, MSc, PhD, GAICD
Experience	— Board member since 4 May 2015. Currently Director, Animal Health Australia Ltd. Chairman Oysters Australia Ltd, Chairman Gardiner Dairy Foundation. Former positions include Managing Director, Seafood CRC. Director, Rural Industries R&D Corporation, Director, Dairy Australia Ltd, Chief Executive Officer of Australian Wool Innovation Limited, General Manager, Livestock Innovation with Meat and Livestock Australia Ltd, Senior Executive with Agriculture Victoria, founding Director of the Victorian Institute of Animal Science.
Directorships held in listed entities	— Nil
Remuneration	— \$16,000 pa payable from 1 July 2021
Mr Nick Burrows	— Deputy Chairman
Qualifications	— B. Com, FAICD, FCA, FGIA, FTIA, F Fin
Experience	— Board member since 4 May 2015. Nick was CFO and Company Secretary for Tassal Group Ltd for 21 years up until 2009. He is a professional Director and runs an active advisory business based in Hobart dealing with corporate governance, finance, and business restructuring. He is an experienced senior executive in the aquaculture industry and was a Director of Clean Seas Seafood Limited from 2012 to 2020. Nick also is an independent director of Taswater, Genetic Technologies Limited, and PFG Group Pty Ltd. Nick's experience embraces a broad spectrum encompassing all aspects of Board and corporate governance, company secretarial, corporate treasury, strategic management, risk management, M&A, business restructuring, and investment evaluation. He is a Fellow of the Australian Institute of Company Directors, the Institute of Chartered Accountants of Australia, the Governance Institute of Australia and of the Financial Services Institute of Australasia.
Directorships held in listed entities	— Genetic Technologies Limited
Remuneration	— \$8,000 pa payable from 1 July 2021
Mr Ian Duthie	— Director
Qualifications	— Diploma of Applied Science (University of Tasmania) 1994
Experience	— Board member since 23 June 2014; Tasmanian Oyster Research Council Board member since 2002 and Chairman since 2009; Member Oysters Australia R&D Committee; Principal of Sea Perfect Pty Ltd and Montagu Tas Oysters.
Directorships held in listed entities	— Nil
Remuneration	— \$8,000 pa payable from 1 July 2021

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Ms Jan Davis	
Qualifications	— Director — B. Ec (Syd), M Env Plan (Macquarie), M Agribusiness (Melb)
Experience	— Board member since 1 October 2018 Current executive roles: CEO, RSCPA Tasmania; Managing Director, Agribusiness Tasmania Previous executive roles: CEO, Protected Cropping Australia; CEO, Local Government Professionals (Tas); CEO, Agribusiness Australia; CEO, Tasmanian Farmers and Graziers Association; CEO, Growcom (Qld Fruit and Vegetable Growers); CEO, Australian Mushroom Growers Association; CEO, Nursery Industry Association of Australia. Current non-executive roles: Councillor, Northern Midlands Council; Director, Landcare Australia Ltd Previous non-executive roles: Royal Flying Doctor Service (Tas) Ltd; FermentTasmania Ltd; Tasmanian Skills Institute; Tasmanian Institute of Agriculture; Plant Health Australia Ltd; Horticulture Australia Ltd; Rural Industries R&D Corporation; Australian Agricultural Colleges Corporation (chair).
Directorships held in listed entities	— Nil
Remuneration	— \$2,000 pa payable from 1 July 2021 (Retired 30 September 2021)
Mr Carl Jaeschke	
Qualifications	— Director (Appointed 20 April 2016) — B Tech (Aquaculture)
Experience	Board member since 20 April 2016. Board member of SAORC since 2008. Deputy Chair SAORC 2015. Farm Manager of Cowell Seafood Producers.
Directorships held in listed entities	— Nil
Remuneration	— \$7,333 pa payable from 1 July 2021 (Retired 21 April 2022)
Mr Mark Binder	
Qualifications	— Director — SACE Certificate
Experience	— Board member since 21 April 2022. Board member SAORC since 2022. Director and Farm Manager Wild West Oysters 2004.
Directorships held in listed entities	— Nil
Remuneration	— \$1,333 pa payable from 21 April 2022
Prof. Robert Banks	
Qualifications	— Director — B. Agr. Sci (UTAS), PhD (UNE)
Experience	— Board member since 1 October 2018 Currently Director, Animal Genetics and Breeding Unit, Director, Southern Tree Breeding Association Former positions include Manager, Livestock Producer Innovation (Southern Australia) – Meat and Livestock Australia; R&D Manager, Meat and Livestock Australia; National LAMBPLAN Coordinator; Board member Future Farm Industries CRC
Directorships held in listed entities	— Nil
Remuneration	— \$8,000 pa payable from 1 October 2020

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Board Attendances

Director	Meetings Attended/ Held
Dr Len Stephens	5/6
Mr Nick Burrows	6/6
Mr Ian Duthie	6/6
Mr Carl Jaeschke	5/5
Mr Mark Bender	2/2
Prof. Robert Banks	5/6

Remuneration Report

Details of the nature and amount of remuneration received by directors is included in the "Information on Directors in Office" above.

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has not given an indemnity or entered into an agreement to indemnify or paid or agreed to pay insurance premiums.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

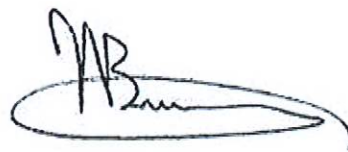
Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on the following page.

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



Dr Len Stephens



Mr Nick Burrows

Dated 27 October 2022

Auditor's Independence Declaration to the Directors of Australian Seafood Industries Pty Ltd

In relation to our audit of the financial report of the abovementioned for the financial year ended 30 June 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Wise Lord & Ferguson

WISE LORD & FERGUSON



JOANNE DOYLE

Partner

Date: 31 October 2022

AUSTRALIAN SEAFOOD INDUSTRIES PROPRIETARY LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
INCOME			
Service Fees		656,637	679,335
Research Grants	2 (a)	383,695	236,352
Miscellaneous Income - Bank Interest		20,728	792
Miscellaneous Income - State Grants		-	5,000
Other Income (Government Stimulus Income)		-	137,100
Total Income		<u>1,061,060</u>	<u>1,058,579</u>
EXPENSES			
Research Expenditures		(600,973)	(479,316)
Administration and Governance Expenses		(121,552)	(149,285)
Employment Costs		(344,734)	(435,070)
Total Expenses		<u>(1,067,259)</u>	<u>(1,063,671)</u>
Profit/(Loss) before Income Tax		<u>(6,199)</u>	<u>(5,092)</u>
Net Profit/(Loss)		<u>(6,199)</u>	<u>(5,092)</u>
Total Comprehensive Income/(Expense)		<u><u>(6,199)</u></u>	<u><u>(5,092)</u></u>

<i>The accompanying notes should be read in conjunction with this statement.</i>
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AUSTRALIAN SEAFOOD INDUSTRIES PROPRIETARY LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	471,417	827,598
Trade and Other Receivables	6	185,860	86,704
TOTAL CURRENT ASSETS		<u>657,277</u>	<u>914,302</u>
NON-CURRENT ASSETS			
Plant & Equipment	7	7,544	24,860
Company Formation Costs		990	990
TOTAL NON-CURRENT ASSETS		<u>8,534</u>	<u>25,850</u>
TOTAL ASSETS		<u>665,811</u>	<u>940,152</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	48,998	81,461
Employee Benefits Provision - Long Service Leave		45,771	-
Employee Benefits Provision - Annual Leave		49,569	40,587
TOTAL CURRENT LIABILITIES		<u>144,338</u>	<u>122,048</u>
NON-CURRENT LIABILITIES			
Trade and Other Payables - Stakeholder Advances	8	495,860	495,860
Deferred Income	11	-	251,651
Employee Benefits Provision - Long Service Leave		-	38,781
TOTAL NON-CURRENT LIABILITIES		<u>495,860</u>	<u>786,292</u>
TOTAL LIABILITIES		<u>640,198</u>	<u>908,340</u>
NET ASSETS		<u>25,613</u>	<u>31,812</u>
EQUITY			
Capital		50,140	50,140
Retained Earnings / (Losses)		(24,527)	(18,328)
TOTAL EQUITY		<u>25,613</u>	<u>31,812</u>

The accompanying notes should be read in conjunction with this statement.

AUSTRALIAN SEAFOOD INDUSTRIES PROPRIETARY LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings	Capital	Total
	\$	\$	\$
Balance at 30 June 2020	(13,236)	50,140	36,904
Profit/(Loss) attributable to members - current year	(5,092)	-	(5,092)
Balance at 30 June 2021	(18,328)	50,140	31,812
Profit/(Loss) attributable to members - current year	(6,199)	-	(6,199)
Balance at 30 June 2022	(24,527)	50,140	25,613

<i>The accompanying notes should be read in conjunction with this statement.</i>
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AUSTRALIAN SEAFOOD INDUSTRIES PROPRIETARY LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers - Service Fees and Professional Services		557,481	777,880
Payments to Suppliers and Employees		(1,066,434)	(1,035,418)
Grants Received		132,044	201,700
Miscellaneous Income Received - Bank Interest		20,728	792
Government Stimulus Income Received		-	142,100
Net Cash Provided by (used in) Operating Activities	9(a)	<u>(356,181)</u>	<u>87,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Plant and Equipment		-	(19,398)
Net Cash Provided by (used in) Investing Activities		<u>-</u>	<u>(19,398)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash Provided by (used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash Held		(356,181)	67,656
Cash at Beginning of Financial Year		<u>827,598</u>	<u>759,942</u>
Cash at End of Financial Year	5	<u><u>471,417</u></u>	<u><u>827,598</u></u>

The accompanying notes should be read in conjunction with this statement.

AUSTRALIAN SEAFOOD INDUSTRIES PROPRIETARY LIMITED
ACN 095 165 165
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 1 **Statement of Significant Accounting Policies**

The 2021-22 Financial Statements were authorised for issue by the Directors on ?? October 2022

The financial report is a special purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Australian Seafood Industries Proprietary Limited. Australian Seafood Industries Proprietary Limited is a non listed private company, incorporated and domiciled in Australia.

The financial report of Australian Seafood Industries Proprietary Limited complies with the measurement and recognition requirements of Australian equivalents to International Financial Reporting Standards (AIFRS).

The financial report is prepared on a going concern basis as the company has confirmed that the stakeholder advances will not be payable until cash flows allow.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The accounts are prepared on, a going concern basis. The directors have determined that the Stakeholder Advances are "founder loans" and are unsecured, interest free and are only repayable when cashflows so allow.

Accounting Policies

(a) Income Tax

The company is subject to Taxation. The company has accumulated tax losses. Tax losses and other deferred tax balances have not been taken up in the financial statements as their realisation is not virtually certain.

(b) 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 losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the amount recoverable from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Computer Equipment	20% - 100%
Laboratory Equipment	5% - 25%
Plant and Equipment	7.5% - 10%
Motor Vehicles	12.5% - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings. Instant assets write off arrangements for small business maybe used when determined by the Board.

(c) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(d) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(f) Revenue

Revenue from ASI Service Fee is recognised upon the delivery of spat to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(g) Project Expenses

The cost for contracted project activity where such activity is for the delivery of a particular outcome or specified deliverable is recognised in full upon the delivery of the outcome or deliverable.

(h) Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to reporting date. The benefits expected to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In calculating the present value of future cash flows in respect of long service leave, liability in 2021 is recognised from when employees commenced permanent employment at their respective current rates of remuneration. In the 2022 year employees long service leave liability was recognised only after an employee had attained seven years service. This change in policy does not cause a material difference to the 2022 financial statements.

(i) Borrowing Costs

Borrowing costs are recognised in income in the period in which they are incurred.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Government Grants

Grant income received is assessed to determine if there is an enforceable and sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both conditions are satisfied the Company recognises revenue as it satisfies the performance obligations. The income is recognised as a liability until those conditions are satisfied.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Financial Risk Management

The entity holds no securities and has no price risk in this area.

A credit risk exists in respect of trade and other receivables which arises from potential default of the counter party with a maximum exposure equivalent to the carrying amount of those instruments. Exposure at balance day is addressed in each applicable note. The entity does not hold any credit derivatives to offset its credit exposure. The entity trades only with recognised, creditworthy third parties, and, as such, collateral is not requested nor is it the entity's policy to securitise its trade and other receivables.

Liquidity risk is managed by maintaining a balance between continuity of funding and flexibility in the timing of major disbursements where the entity is able to determine the timing of payments.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates — Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. The Board has determined that no impairment is required.

(n) Related Parties

There are Directors who act on Boards of organisations, or oyster farmers, and therefore ASI Service Fees payers, or who operate commercial oyster hatcheries that ASI has dealings with, or whom are employees of funding providers to ASI and all such dealings are negotiated and conducted on a commercial arm's length basis.

(o) New Accounting standards for Application in Future Periods

Australian Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by ASI for the annual reporting period ended 30 June 2022. ASI has not yet assessed the impact of these new or amended Accounting Standards or Interpretations.

AUSTRALIAN SEAFOOD INDUSTRIES PROPRIETARY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 7	Plant & Equipment	2022	2021
	Motor Vehicles:	\$	\$
	At cost	86,216	86,216
	Accumulated depreciation	<u>(78,672)</u>	<u>(61,356)</u>
		<u>7,544</u>	<u>24,860</u>

Note 8	Trade and Other Payables		
	CURRENT		
	Accrued expenses	37,500	81,457
	Trade payables	<u>11,498</u>	<u>4</u>
		<u>48,998</u>	<u>81,461</u>
	NON-CURRENT		
	Unsecured liabilities - Stakeholder Advances	<u>495,860</u>	<u>495,860</u>
		<u>495,860</u>	<u>495,860</u>

The Stakeholder Advances are "founder loans" and are unsecured, interest free and are only repayable when cashflows so allow.

Note 9	Cash Flow Information	2022	2021
(a)	Reconciliation of Cash Flow from Operations with Profit after Income Tax	\$	\$
	Profit/(Loss) after income tax	(6,199)	(5,092)
	Non-cash flows in profit		
	Depreciation	17,316	22,911
	Changes in assets and liabilities		
	(Increase)/decrease in trade and term receivables	(99,156)	98,545
	Increase/(decrease) in employee benefits provisions	15,972	7,562
	Increase/(decrease) in trade payables and accruals	(32,462)	(2,220)
	Increase/(decrease) in deferred income	<u>(251,651)</u>	<u>(34,652)</u>
	Cash flow from operations	<u>(356,180)</u>	<u>87,054</u>

Note 10 **Events After the Balance Sheet Date**

Since the end of the financial year no matters or circumstances have arisen which significantly affect or may significantly effect the operations of the company, the results of those operations, or the state of affairs of the company in the subsequent financial year. However, the ongoing impact of COVID-19 on the Company for the financial year ending 30 June 2022 and beyond remains difficult to determine at this time. The Company's greatest financial exposure to COVID-19 relates to the impact of the pandemic on the broader Oyster Industry and the corresponding impact on the quantum and collectability of the Company's revenue streams.

Note 11 **Deferred Income**

Deferred income is a liability on the balance sheet related to a revenue producing activity for which income has not yet been recognised. ASI has received several grants as per Directors Declaration for Research Activity and will record deferred income as income over the period when the related costs are incurred. The company recognises the majority of deferred income as non-current as the timing of the recognition of the income is uncertain. Deferred income that has been recorded as current is anticipated to be recognised in 2021-22.

Note 12 **Economic Dependency**

The continued viability of the company is dependent upon the ACCC approved POMS Resistance Breeding Levy and ongoing Shareholder support, including not requiring the advances made to be repaid until such time as there is surplus profits and cash available.

Note 13 **Company Details**

The registered office of the company is:
Australian Seafood Industries Proprietary Limited
Tech 3, Tasmanian Technopark
Innovation Drive
Dowsing Point, Glenorchy
Tasmania 7010

AUSTRALIAN SEAFOOD INDUSTRIES PROPRIETARY LIMITED
ACN 095 165 165
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 15 are in accordance with the Corporations Act 2001 and:
 - (a) Comply with the recognition and measurement requirements of Accounting Standards and the Corporations Regulations 2001; and
 - (b) Give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company;

2. The General Manager and Secretary have each declared that:
 - (a) The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001; and
 - (b) The financial statements and notes for the financial year give a true and fair view.

3. 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.



Dr Len Stephens



Mr Nick Burrows

Dated 27 October 2022

INDEPENDENT AUDITOR'S REPORT

The members of Australian Seafood Industries Pty Ltd

Opinion

We have audited the financial report of Australian Seafood Industries Pty Ltd. (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Seafood Industries Pty Ltd., is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Director's Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 judgement 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 management.
- Conclude on the appropriateness of management's 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 those charged with governance 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.

Wise Lord & Ferguson

WISE LORD & FERGUSON



JOANNE DOYLE

Partner

Date: 31 October 2022