



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture

Opinion

In my opinion, the financial statements of the Fisheries Research and Development Corporation ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Accountable Authority (Chair and Chair Finance, Audit and Risk Management Committee), Managing Director, and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Directors are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Lorena Skipper

A/g Executive Director

Delegate of the Auditor-General

Canberra

16 August 2019



FRDC

**Financial statements
for the year ended
30 June 2019**

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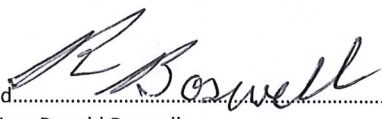
FISHERIES RESEARCH AND DEVELOPMENT CORPORATION (FRDC)

STATEMENT BY THE ACCOUNTABLE AUTHORITY (CHAIR AND CHAIR FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE), MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER


In our opinion, the attached financial statements for the period ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the FRDC will be able to pay its debts as and when they fall due.


This statement is made in accordance with a resolution of the directors.

Signed.....
The Hon. Ronald Boswell
Chair
Accountable Authority

.....16. 8. 2019
Date

Signed.....
Dr Lesley Macleod
Chair Finance, Audit and Risk Management Committee

.....16 Aug 2019
Date

Signed.....
Dr Patrick Hone
Managing Director

.....16 Aug 2019
Date

Signed.....
Cheryl Cole
A/g Chief Financial Officer

.....16 Aug 2019
Date

Statement of Comprehensive Income
for the period ended 30 June 2019

	Notes	2018-19 \$	2017-18 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	3,605,110	3,300,256
Suppliers	1.1B	1,612,684	1,917,886
Projects	1.1C	29,803,871	25,999,419
Depreciation and amortisation	2.2A	183,464	174,655
Write-down and impairment of assets	1.1D	12,073	-
Total expenses		35,217,202	31,392,216
Own-source income			
Own-source revenue			
Sale of goods and rendering of services	1.2A	-	345
Interest	1.2B	544,651	393,904
Grants	1.2C	3,418,716	2,019,497
Contributions	1.2D	10,181,347	9,037,070
Other revenue	1.2E	1,931,438	1,838,425
Total own-source revenue		16,076,152	13,289,241
Total own-source income		16,076,152	13,289,241
Net cost of services		19,141,050	18,102,975
Revenue from the Australian Government	1.2F	23,478,957	22,710,840
Surplus on continuing operations		4,337,907	4,607,865
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserves	2.2A	(1,664)	2,126
Total other comprehensive (loss)/income		(1,664)	2,126
Total comprehensive income		4,336,243	4,609,991

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2019

	Notes	2018-19 \$	2017-18 \$
ASSETS			
Financial assets			
Cash and cash equivalents	2.1A	24,553,443	22,293,822
Trade and other receivables	2.1B	4,826,305	2,706,322
Other investments	2.1C	5,001	5,001
Total financial assets		29,384,749	25,005,145
Non-financial assets			
Property, plant and equipment	2.2A	74,450	116,650
Intangibles	2.2A	686,425	779,889
Other non-financial assets	2.2B	11,258	11,038
Total non-financial assets		772,133	907,577
Total assets		30,156,882	25,912,722
LIABILITIES			
Payables			
Suppliers and other payables	2.3A	255,499	257,103
Projects	2.3B	210,786	308,446
Total payables		466,285	565,549
Provisions			
Employee provisions	3.1A	1,019,845	1,012,664
Total provisions		1,019,845	1,012,664
Total liabilities		1,486,130	1,578,213
Net assets		28,670,752	24,334,509
EQUITY			
Asset revaluation reserves		411,236	412,900
Retained earnings		28,259,516	23,921,609
Total equity		28,670,752	24,334,509

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the period ended 30 June 2019

	2018-19 \$	2017-18 \$
RETAINED EARNINGS		
Opening balance		
Balance carried forward from previous period	23,921,609	19,313,744
Opening balance as at 1 July 2018	23,921,609	19,313,744
Comprehensive income		
Surplus for the period	4,337,907	4,607,865
Total comprehensive income	4,337,907	4,607,865
Closing balance as at 30 June 2019	28,259,516	23,921,609
ASSET REVALUATION RESERVE		
Opening balance		
Balance carried forward from previous period	412,900	410,774
Opening balance as at 1 July 2018	412,900	410,774
Comprehensive income		
Other comprehensive (loss)/income	(1,664)	2,126
Total comprehensive (loss)/income	(1,664)	2,126
Closing balance as at 30 June 2019	411,236	412,900
TOTAL EQUITY		
Opening balance		
Balance carried forward from previous period	24,334,509	19,724,518
Opening balance as at 1 July 2018	24,334,509	19,724,518
Comprehensive income		
Surplus for the period	4,337,907	4,607,865
Other comprehensive (loss)/income	(1,664)	2,126
Total comprehensive income	4,336,243	4,609,991
Closing balance as at 30 June 2019	28,670,752	24,334,509

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the period ended 30 June 2019

	Notes	2018-19 \$	2017-18 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from the Australian Government		22,248,062	26,987,372
Contributions		10,604,532	10,587,269
Grants		3,418,716	2,019,497
Interest		519,160	330,623
Net GST received		1,646,468	1,601,195
Other		2,124,582	2,022,613
Total cash received		40,561,520	43,548,569
Cash used			
Employees		(3,597,929)	(3,213,576)
Suppliers		(1,760,515)	(1,970,060)
Projects expenditure		(32,881,918)	(28,429,077)
Total cash used		(38,240,362)	(33,612,713)
Net cash from operating activities		2,321,158	9,935,856
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(16,799)	(14,031)
Purchase of intangibles		(44,738)	(87,873)
Total cash used		(61,537)	(101,904)
Net cash used by investing activities		(61,537)	(101,904)
FINANCING ACTIVITIES			
Cash used			
Other ¹		-	(153,722)
Total cash used		-	(153,722)
Net cash used by financing activities		-	(153,722)
Net increase in cash held		2,259,621	9,680,230
Cash and cash equivalents at the beginning of the reporting period		22,293,822	12,613,592
Cash and cash equivalents at the end of the reporting period	2.1A	24,553,443	22,293,822

¹ This amount was Love Australian Prawn campaign funds received on 29 June 2017 and held in trust by FRDC on behalf of the Seafood Cooperative Research Centre (CRC), then paid to Australian Council of Prawn Fisheries on 8 August 2017.

The above statement should be read in conjunction with the accompanying notes.

Overview

Objectives of the FRDC

The FRDC is an Australian Government controlled entity. It is a not-for-profit entity established as a statutory corporation on 2 July 1991 under the provisions of the *Primary Industries Research and Development Act 1989* (PIRD Act). The objectives of the FRDC are to plan and invest in fisheries research, development and extension (RD&E) activities and in related marketing activities.

As a national organisation with strong linkages to industry, managers, and researchers the FRDC has a fundamental role in providing leadership and coordination. The FRDC achieves this through establishing strong relationships, and putting in place mechanisms to identify and address priorities with industry and government stakeholders. In addition, the FRDC monitors and evaluates the adoption of RD&E and marketing outputs to better inform future decisions.

The FRDC is structured to meet the following outcome:

Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.

The continued existence of the FRDC in its present form, and with its present outcome, is dependent on Australian Government policy, and on continuing funding from the Australian Government for the FRDC's outcome.

The basis of preparation

The financial statements are general purpose financial statements, and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and
- b) Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis, and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Australian Accounting Standards

Adoption of new and future Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The new standards, revised standards, interpretations and amending standards that were issued prior to the signing of the statements by the: Board Chair; Finance, Audit and Risk Management Committee Chair; Managing Director; and Chief Financial Officer; and are applicable to the current reporting period, did not have a material impact, and are not expected to have a future material impact, on the FRDC's financial statements.

Taxation

The FRDC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events after the reporting period

No reportable events have occurred after the Statement of Financial Position date.

Financial Performance

	2018-19	2017-18
Note 1.1: Expenses	\$	\$
Note 1.1A: Employee benefits		
Wages and salaries	2,665,931	2,443,282
Superannuation		
Defined contribution plans	207,562	178,393
Defined benefit plans	382,025	389,762
Leave and other entitlements	349,592	288,819
Total employee benefits	3,605,110	3,300,256

Accounting policy

Accounting policies for employee related expenses are contained at Note 3.1A.

Note 1.1B: Suppliers

Goods and services supplied or rendered

Agency staff	31,786	8,860
Annual report	23,765	20,080
Asset purchases less than \$5,000	52,196	57,315
Audit fees	36,000	32,000
External service providers	333,826	499,880
Insurance	37,149	37,223
Information technology	317,607	483,237
Joint research and development corporation (RDC) activities	56,347	28,553
Legal	11,381	40,212
Media monitoring and releases	43,780	28,116
Office supplies	19,192	27,069
Photographs	2,585	2,747
Postage and couriers	2,769	2,856
Property	44,421	30,309
RD&E plan	-	4,000
Recruitment/director selection costs	4,527	37,488
Representation	51,131	46,370
Representative organisations consultation	5,926	28,095
Telecommunications	34,662	36,468
Training	116,370	149,743
Travel	155,730	110,039
Other	45,609	40,677
Total goods and services supplied or rendered	1,426,759	1,751,337

Other suppliers

Operating lease rental in connection with external parties

Operating lease rentals ¹	172,022	150,657
Workers compensation expenses	13,903	15,892
Total other suppliers	185,925	166,549
Total suppliers	1,612,684	1,917,886

¹ Operating lease commitments

Canberra office

Operating leases included were effectively non-cancellable. The lease for the office accommodation at 25 Geils Court, Deakin, Australian Capital Territory has been renegotiated for a further three years and expires 31 July 2020. Lease payments are subject to a 3 percent annual increase in accordance with the lease agreement.

Adelaide office

The lease for the office accommodation at Wine Australia, corner Botanic and Hackney Roads, Adelaide, South Australia commenced 31 March 2016 with an annual right of renewal until 30 March 2021. The current lease term expires 30 March 2020. Lease payments are subject to the annual increase in accordance with movements in the consumer price index.

	2018-19	2017-18
<i>Note 1.1: Expenses continued</i>	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	182,306	171,456
Between 1 to 5 years	11,896	145,847
Total operating lease commitments	194,202	317,303

Note: Leasing commitments are GST inclusive.

Accounting policy

Operating lease payments are expensed on a straight-line basis, which is representative of the pattern of benefits derived from the leased assets.

Note 1.1C: Projects

Australian Government entities (related parties)	3,188,851	3,041,726
State and territory governments	7,050,061	5,586,487
Universities and educational bodies	7,851,284	5,800,078
Research and development corporations	15,804	6,733
Industry (commercial, recreational and Indigenous)	6,908,786	5,991,155
Overseas research entities	139,365	150,003
Private providers	4,649,720	5,423,237
Total projects	29,803,871	25,999,419

Accounting policy

The FRDC recognises project liabilities through project agreements that require research partners to perform services or provide facilities, or to meet eligibility criteria. In these cases, liabilities are recognised only to the extent that the services required have been performed, an invoice issued consistent with the contractual requirements, and the eligibility criteria have been satisfied by the research partner to the FRDC's satisfaction.

Project commitments

Project commitments comprise the future funding of approved projects that are contingent on the achievement of agreed deliverables over the life of those projects (project agreements are exchanged prior to release of the first payment on a project). Projects, where amounts were payable but were unpaid at the end of the period, have been brought to account as project payables. The FRDC contracts to fund projects in future years in advance of receipt of the income needed to fund them. FRDC manages this risk by having the project agreement allow for termination at its sole discretion for any reason. If the FRDC were to terminate a project agreement, it would only be liable to compensate the research partner for any reasonable costs in respect of unavoidable loss incurred by the research provider and directly attributable to the termination of the agreement, provided that the costs are fully substantiated to the FRDC.

Project commitments are payable as follows:

Within 1 year (unpaid deliverables up to 30 June 2020)	35,014,593	36,771,967
Between 1 to 5 years (1 July 2020 to 30 June 2024)	16,352,491	14,722,921
Over 5 years (from 1 July 2024)	-	146,674
Total project commitments	51,367,084	51,641,562

Note: Project commitments are GST inclusive.

Note 1.1D: Write down and impairment of assets

Write down of intangible assets	12,073	-
Total write down and impairment of assets	12,073	-

FRDC's business process software was written down at 31 October 2018 (refer note 2.2 Non-financial assets)

	2018-19	2017-18
	\$	\$

Note 1.2: Own-source income

Own-source revenue

Note 1.2A: Sale of goods and rendering of services

Sale of goods	-	345
Total sale of goods and rendering of services	-	345

Accounting policy

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer, and
- b) the entity retains no managerial involvement or effective control over the goods.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Note 1.2B: Interest

Deposits	544,651	393,904
Total interest	544,651	393,904

Accounting policy

Interest revenue is recognised using the effective interest method.

Note 1.2C: Grants

Australian Government		
Department of Agriculture ¹	3,418,716	2,019,497
Total grants	3,418,716	2,019,497

¹ RD&E funding from Department of Agriculture.

The FRDC has a Research & Development Funding Head Agreement with the Department of Agriculture under which it manages a suite of research activities. The activities are listed at Note 3.4B, page 20.

Accounting policy

Australian Government grants income is revenue paid to FRDC for the purpose of funding specific research and development projects, and is recognised when:

- a) the FRDC obtains control of the grant or the right to receive the grant;
- b) it is probable that the economic benefits comprising the grant will flow to the FRDC; and
- c) the amount of the grant can be reliably measured.

	2018-19	2017-18
<i>Note 1.2: Own-source income continued</i>	\$	\$

Note 1.2D: Contributions

Fisheries

Australian Prawn Farmers Association	130,666	151,738
Australian Fisheries Management Authority	1,359,182	1,163,251
New South Wales	778,953	623,409
Northern Territory	183,439	195,767
Queensland	891,953	805,000
South Australia	1,500,969	1,209,200
Tasmania	3,166,903	2,904,469
Victoria	239,562	231,646
Western Australia	1,929,720	1,752,590
Total contributions	10,181,347	9,037,070

Accounting policy

Contributions are recognised when:

- a) the FRDC obtains control of the contribution or the right to receive the contribution;
- b) it is probable that the economic benefits comprising the contribution will flow to the FRDC; and
- c) the amount of the contribution can be reliably measured.

Note 1.2E: Other revenue

Project funds received ¹	1,808,250	1,527,337
Project refunds of prior years expenditure	123,188	302,201
Other ²	-	8,887
Total other revenue	1,931,438	1,838,425

¹ Project funds received include project contributions for a Future Oyster Cooperative Research Centre Programme and project

² On 1 June 2017 the Seafood CRC Board, as part of its wind up process, resolved, in accordance with its constitution, to transfer its remaining funds to the FRDC. Note 1.2E: Other, includes an amount of \$3,924 that was transferred by SCRC to FRDC on 4 July 2017.

Accounting policy

Project funds received are recognised when they are entitled to be received by the FRDC.

Project refunds from research partners are brought to account when received.

Note 1.2F: Revenue from the Australian Government

Department of Agriculture

Corporate Commonwealth entity payment item of 0.50% of AGVP ¹	15,698,265	15,140,560
Matching of industry contributions ²	7,780,692	7,570,280
Total revenue from the Australian Government	23,478,957	22,710,840

¹ AGVP is the average gross value of fisheries production for the current year and the two preceding financial years. The Australian Government's contribution of 0.50% of AGVP is made on the grounds that the FRDC exercises a stewardship role in relation to fisheries resources on behalf of the Australian community.

² Matching of industry contributions (up to 0.25% of AGVP) by the Australian Government.

Accounting policy

Revenue from the Australian Government

Revenues from the Australian Government are recognised when they are entitled to be received by the entity.

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

Financial Position

	2018-19 \$	2017-18 \$
Note 2.1: Financial assets		
Note 2.1A: Cash and cash equivalents		
Cash on hand or at call	3,553,443	2,293,822
Cash on deposit:		
Fixed term deposit - original term 6 months	-	16,000,000
Fixed term deposit - original term 3 months	15,000,000	-
Fixed term deposit - original term 2 months	-	4,000,000
Fixed term deposit - original term 1 months	6,000,000	-
Total cash and cash equivalents	24,553,443	22,293,822

Accounting policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- cash on hand; and
- demand deposits in bank accounts with an original maturity of six months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Note 2.1B: Trade and other receivables

Goods and services receivables		
Goods and services	1,561,369	1,025,302
Total goods and services receivables	1,561,369	1,025,302
Department of Agriculture and Water Resources		
Receivables	2,744,120	1,513,225
Total receivables from Department of Agriculture and Water Resources	2,744,120	1,513,225
Other receivables		
GST receivable from the Australian Taxation Office	520,816	167,795
Total other receivables	520,816	167,795
Total trade and other receivables	4,826,305	2,706,322
Trade and other receivables are expected to be recovered		
No more than 12 months	4,826,305	2,706,322
Total trade and other receivables	4,826,305	2,706,322
Trade and other receivables aged as follows		
Not overdue ¹	4,677,805	2,612,822
Overdue by		
0 to 30 days	148,500	-
31 to 60 days	-	93,500
Total trade and other receivables	4,826,305	2,706,322

¹Credit terms for goods and services are within 30 days (2017-18: 30 days).

Accounting policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Note 2.1C: Other investments

One-eighteenth share in Australian Seafood Co-Products Pty Ltd (Assoc), an unlisted company converting fish waste and fish nutrient into agriculture fertiliser products	5,001	5,001
Total other investments	5,001	5,001

Note 2.2: Non-financial assets

Note 2.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles**Reconciliation of the opening and closing balances of property, plant and equipment and intangibles**

	Property, plant and equipment \$	Intangibles (computer software) \$	Total \$
As at 1 July 2018			
Gross book value	116,650	1,252,896	1,369,546
Accumulated depreciation and amortisation	-	(473,007)	(473,007)
Total as at 1 July 2018	116,650	779,889	896,539
Additions			
Purchase	16,799	-	16,799
Internally developed	-	44,738	44,738
Revaluations recognised in other comprehensive income ¹	(1,664)	-	(1,664)
Write down recognised in net cost of services ²	-	(12,073)	(12,073)
Depreciation and amortisation	(57,335)	(126,129)	(183,464)
Total as at 30 June 2019	74,450	686,425	760,875
Total as at 30 June 2019 represented by			
Gross book value	74,450	1,272,074	1,346,524
Accumulated depreciation and amortisation	-	(585,649)	(585,649)
Total as at 30 June 2019	74,450	686,425	760,875

Revaluations of non-financial assets

¹ As at 30 June 2019, Jones Lang LaSalle Public Sector Valuations conducted a revaluation of property, plant and equipment. A revaluation decrement of \$1,664 for 2018-19 (2017-18: increment of \$2,126) was applied to the asset revaluation reserve by asset class and included in the equity section of the Statement of Financial Position.

² FRDC's business process software was written down at 31 October 2018 (refer Note 1.1D).

No indicators of impairment were found for property, plant and equipment and intangibles as at 30 June 2019.

No property, plant and equipment is expected to be sold or disposed of within the next 12 months.

Accounting policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000 that are expensed in the year of acquisition (other than where they form part of a group of similar items where the value is greater than \$5,000).

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depend on the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset, and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the FRDC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2018-19	2017-18
Property, plant and equipment	up to 5 years	up to 5 years
Leasehold improvements	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal, or when no further future economic benefits are expected from its use or disposal.

Intangibles

The FRDC's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the FRDC's software is 10 years (2017-18: 10 years).

All software assets were assessed for indications of impairment as at 30 June 2019.

	2018-19	2017-18
<i>Note 2.2: Non-financial assets continued</i>	\$	\$
Note 2.2B: Other non-financial assets		
Prepayments	11,258	11,038
Total other non-financial assets	11,258	11,038

No indicators of impairment were found for other non-financial assets.

	2018-19	2017-18
Note 2.3: Payables	\$	\$
Note 2.3A: Suppliers and other payables		
Trade creditors and accruals	102,138	132,284
FBT payable	1,582	1,079
PAYG payable	151,779	68,297
Other	-	55,443
Total suppliers and other payables	255,499	257,103
Suppliers and other payables expected to be settled		
No more than 12 months	255,499	257,103
Total suppliers	255,499	257,103

Settlement is usually made within 30 days.

Note 2.3B: Projects		
Australian Government entities (related parties)	-	10,000
State and territory governments	33,000	78,000
Other	177,786	220,446
Total projects	210,786	308,446

Accounting policy

Project payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. They relate to payments approved on achievement of agreed deliverables, but which were unpaid at the end of the reporting period. Settlement is usually made within 30 days.

People and relationships

	2018-19	2017-18
	\$	\$
Note 3.1: Employee Provisions		
Note 3.1A: Employee provisions		
Leave	1,019,845	1,012,664
Total employee provisions	1,019,845	1,012,664
Employee provisions that could be settled		
No more than 12 months	949,696	967,019
More than 12 months	70,149	45,645
Total employee provisions	1,019,845	1,012,664

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of reporting period are measured at their nominal amounts. Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

The FRDC's staff are members of the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The PSS is a defined benefit scheme for the Australian Government. The PSSap and any other superannuation funds are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The FRDC makes employer contributions to the employee's defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

Note 3.2: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the FRDC, directly or indirectly, including any director of the board (whether executive or otherwise) of the FRDC. The FRDC has determined the key management personnel to be the non-executive directors, the Managing Director and three senior general managers. Key management personnel remuneration is reported in the table below:

	2018-19	2017-18
	\$	\$
Short-term employee benefits (salary)	1,182,248	1,145,604
Post-employment benefits (superannuation)	214,199	222,913
Other long-term employee benefits (annual leave and long service leave)	124,379	121,021
Total key management personnel remuneration expenses	1,520,826	1,489,538

The total number of key management personnel that are included in the above table is 16 (2017-18: 11). They are made up of:

- seven non-executive directors
- one non-executive director (Chair)
- one Managing Director
- three senior general managers
- four non-executive directors (retired 31 August 2018)

Note 3.3: Annual total remuneration ranges (including superannuation) paid to key management personnel and the independent Finance, Audit and Risk Management Committee member ¹

	2018-19	2017-18
Nil to \$39,999 ¹	12	7
\$40,000 to \$69,999	1	1
\$180,000 to \$239,999	2	2
\$280,000 to \$309,999	1	1
\$340,000 to \$369,999	1	1
Total number of key management personnel	17	12

Note 3.4: Related party disclosures

Related party relationships

The FRDC is an Australian Government controlled entity. Related parties to this entity are non-executive directors, the Managing Director, and three senior general managers and other Australian Government entities.

The non-executive directors and the Managing Director of the FRDC during the year were:

The Hon. Ronald Boswell	Chair (Appointed 1 September 2016) (Member People and Culture Committee)
Dr Kathryn Brooks	Director (Appointed 10 October 2018) (Member Investment Mechanisms Working Group)
Professor Colin D. Buxton	Director (Deputy Chair) (Re-appointed 10 October 2018) (Member Investment Mechanisms Working Group)
Mrs Saranne Cooke	Director (Appointed 10 October 2018) (Member Finance, Audit and Risk Management Committee)
Ms Katina Hodson-Thomas	Director (Appointed 10 October 2018) (Member People and Culture Committee)
Dr Patrick Hone	Managing Director (Member Investment Mechanisms Working Group)
Mr Mark King	Director (Appointed 10 October 2018) (Chair People and Culture Committee)
Mr John Lloyd	Director (Appointed 10 October 2018) (Chair Investment Mechanisms Working Group) (Member Finance, Audit and Risk Management Committee)
Dr Lesley MacLeod	Director (Re-appointed 10 October 2018) (Chair Finance, Audit and Risk Management Committee)
Ms Renata Brooks	Director (Retired 31 August 2018)
Mr John Harrison	Director (Retired 31 August 2018)
Associate Professor Daryl McPhee	Director (Retired 31 August 2018)
Mr John Susman	Director (Retired 31 August 2018)
Ms Christine Feldmanis ¹	Independent Member Finance, Audit and Risk Management Committee (Retired 21 November 2018)

¹ Independent Member Finance, Audit and Risk Management Committee

Ms Feldmanis was paid under a consultancy agreement from 1 July 2018 to 20 November 2018; and is included in Note 3.3 Annual remuneration ranges, but is not included in Note 3.2 Key management personnel remuneration.

Note 3.4A: Transactions with director-related entities

The FRDC's practice is to disclose all transactions with an entity with whom a director has an association. This means that directors who have disclosed a material personal interest have attributed to them all the transactions of that entity with the FRDC. Typically, the FRDC will not transact with all the entities for which a director has made such a declaration. The transactions that are not with related parties as defined by AASB124 Related Party Disclosures, are identified below with an asterisk (*)

The FRDC's 'Board governance policy' provides guidance to directors on how the FRDC deals with material personal interests. Where a director has an association with an entity where a conflict has the potential to arise, in addition to the duty to disclose that association, the director absents him/herself from both the discussion and the decision-making process.

Given the breadth of Australian Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The following transactions occurred during the directors' related period.

Director	Organisation and position held	Nature of interest	2018-19		2017-18	
			Expenditure	Income	Expenditure	Income
Dr K. Brooks (Appointed 10 Oct 2018)	OzFish Unlimited <i>Non-Executive Director</i> 10 October 2018 to current	Research projects or work undertaken by the organisation	71,895	-	n/a ¹	n/a ¹
	Seafood Industry Victoria Inc. <i>Casual Director</i> 10 October 2018 to 5 May 2019	Research projects or work undertaken by the organisation	55,922	-	n/a ¹	n/a ¹
	Kal Analysis Pty Ltd <i>Director</i> 10 October 2018 to current	Research projects or work undertaken by the organisation	143,726	-	n/a ¹	n/a ¹
Professor C. D. Buxton (Re-appointed 10 Oct 2018)	Southern Rock Lobster Ltd <i>Chair</i> 2015 to 31 August 2018 10 October to current	Research projects or work undertaken by the organisation	810,590	-	201,529	-
	Institute from Marine and Antarctic Studies University of Tasmania * <i>Adjunct Professor</i> 2014 to 31 August 2018 10 October to current	Research projects or work undertaken by the organisation	3,561,224	3,250	3,175,222	300
Dr P. Hone	Council of Rural Research & Development Corporation <i>Member of the Executive and CEO's Committee</i> 1 July 2018 to current	Research projects or work undertaken by the organisation	33,093	-	-	-
	National Marine Science Committee (paid to University of Tasmania) <i>Member</i> 1 July 2018 to current	Research projects or work undertaken by the organisation	5,000	-	-	-
Ms K. Hodson-Thomas (Appointed 10 Oct 2018)	Western Australian Fishing Industry Council <i>Chair</i> 10 October 2018 to 30 November 2018	Research projects or work undertaken by the organisation	263	-	n/a ¹	n/a ¹
Ms R. Brooks (Retired 31 Aug 2018)	Australian Fisheries Management Authority <i>Commissioner</i> November 2016 to 31 August 2018	Research projects or work undertaken by the organisation	-	4,825	119,900	275,178
	South Australian Research and Development Institute * <i>Consultant</i> July 2017 to 31 August 2018	Research projects or work undertaken by the organisation	268,516	-	2,153,965	265,100
Mr J. Harrison (Retired 31 Aug 2018)	Western Australian Fishing Industry Council <i>Chief Executive Officer</i> 2013 to 31 August 2018	Research projects or work undertaken by the organisation	19,966	-	474,248	-
Mr D. McPhee (Retired 31 Aug 2018)	Department of Primary Industries New South Wales * <i>Consultant</i> November 2017 to 31 August 2018	Research projects or work undertaken by the organisation	52,811	-	608,261	633,500
	Department of Agriculture and Fisheries Queensland * <i>Client</i> February 2018 to 31 August 2018	Research projects or work undertaken by the organisation	396,465	107,324	568,990	225,500

All transactions were conducted under normal terms and conditions and include GST.

¹ n/a - The director had not engaged in research projects or other work with the director-related entity in the reporting period.

Note 3.4B: Other related party disclosures**Department of Agriculture**

manages

the suite of activities detailed below:

- An assessment of the non-market value of recreational fishing of Southern Bluefin Tuna fishery
- Aquatic Animal Health Training Scheme 2019-2022
- Aquatic Deed activities
- Aquavetplan manuals
- Development of on-farm biosecurity plan implementation support programs for aquaculture industry
- Improve Access to Industry Priority Uses of Agvet Chemicals
- National Carp Control Plan
- Non-tariff measures projects
- Rural R&D for Profit: Boosting farm profits through rural R&D Activity: East Open Oyster automation
- Rural R&D for Profit: Growing a profitable, innovative and collaborative Australian Yellowtail Kingfish
- The role of the recreational fisher in the stewardship of the Southern Bluefin Tuna fishery

The FRDC was provided grants in 2018-19 totalling: \$3,418,716 (2017-18: \$2,019,497) (refer Note 1.2C: Grants).

Financial instrument and fair value measurements

	2018-19	2017-18
	\$	\$
Note 4.1: Financial instruments		
<u>Note 4.1A: Categories of financial instruments</u>		
Financial assets under AASB 139		
Loans and receivables		
Cash and cash equivalents		22,293,822
Trade and other receivables		1,025,302
Total loans and receivables		<u>23,319,124</u>
Available-for-sale financial assets		
Other investments		5,001
Total available-for-sale financial		<u>5,001</u>
Total financial assets		<u>23,324,125</u>
Financial liabilities		
Other financial liabilities		
Suppliers and other payables		187,727
Projects		308,446
Total other financial liabilities		<u>496,173</u>
Total financial liabilities		<u>496,173</u>
Financial assets under AASB 9		
Financial assets at amortised cost		
Cash and cash equivalents	24,553,443	
Trade and other receivables	1,561,369	
Other investments	5,001	
Total Financial assets at amortised cost	<u>26,119,813</u>	
Total financial assets	<u>26,119,813</u>	
Financial liabilities		
Financial liabilities measured at amortised cost		
Suppliers and other payables	102,138	
Projects	210,786	
Total Financial liabilities measured at amortised cost	<u>312,924</u>	
Total financial liabilities	<u>312,924</u>	

Note 4.1: Financial instruments continued

Classification of financial assets on the date of initial applications of AASB 9

Financial assets class	Note	AASB 139 Original Classification	AASB 9 new classification	AASB139 carrying amount at 2018-19 \$	AASB 9 carrying amount at 2018-19 \$
Cash and cash equivalents	2.1A	Loans and receivables	Amortised cost	24,553,443	24,553,443
Trade and other receivables	2.1B	Loans and receivables	Amortised cost	1,561,369	1,561,369
Other investments	2.1C	Available for sale	Amortised cost	5,001	5,001
Total financial assets				26,119,813	26,119,813

Accounting policy

Financial assets

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the entity classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- the financial asset is held in order to collect the contractual cash flows; and
- the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2018-19 \$	2017-18 \$
Note 4.1B: Net gain or loss from financial assets		
Financial assets at amortised cost		
Interest revenue (Note 1.2B)	544,651	393,904
Net gains on financial assets at amortised cost	544,651	393,904

Note 4.2: Fair value measurement

Accounting policy

FRDC engaged Jones Lang LaSalle Public Sector Valuations (JLL) to conduct an asset revaluation of all non-financial assets as at 30 June 2019. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations are carried out at least once every three years. JLL has provided written assurance to the FRDC that the models developed are in compliance with AASB 13.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows.

Physical depreciation and obsolescence - assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence that have been measured using the depreciated replacement cost approach. Under the depreciated replacement cost approach, the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

FRDC's policy is to recognise transfers into, and transfers out of, fair value hierarchy levels as at the end of the reporting period.

Note 4.2A: Fair value measurement

	Fair value measurements at the end of the reporting period	
	2018-19 \$	2017-18 \$
Non-financial assets		
Leasehold improvements	47,060	91,900
Plant and equipment	27,390	24,750
Total non-financial assets	74,450	116,650

The FRDC did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2019.

As at 30 June 2019, Jones Lang LaSalle Public Sector Valuations conducted a revaluation of plant and equipment. The table above summarises the results of the valuation at fair value. A revaluation decrement was applied to the asset revaluation reserve by asset class and included in the equity section of the Statement of Financial Position. Refer Note: 2.2A.

Budgetary reports and explanations of major variances

Note 5.1: FRDC budgetary reports

The following tables provide a comparison of the original budget as presented in the 2018-19 Portfolio Budget Statements (PBS) to the 2018-19 final outcome as presented in accordance with Australian Accounting Standards for the FRDC. The budget is not audited.

Note 5.1A: FRDC budgetary reports

Statement of Comprehensive Income

for the period ended 30 June 2019

	Portfolio Budget Statements		
	2018-19 estimate		
	Actual (A)	(B)	(C)= A-B
		Original	Variance
	2018-19	2018-19	2018-19
	\$	\$	\$
NET COST OF SERVICES			
Expenses			
Employee benefits	3,605,110	3,933,000	(327,890)
Suppliers	1,612,684	1,733,000	(120,316)
Projects	29,803,871	28,350,000	1,453,871
Depreciation and amortisation	183,464	210,000	(26,536)
Write-down and impairment of assets	12,073	-	12,073
Other expenses	-	450,000	(450,000)
Total expenses	35,217,202	34,676,000	541,202
Own-source income			
Own-source revenue			
Interest	544,651	300,000	244,651
Grants	3,418,716	-	3,418,716
Contributions	10,181,347	5,964,000	4,217,347
Other revenue	1,931,438	3,101,000	(1,169,562)
Total own-source revenue	16,076,152	9,365,000	6,711,152
Total own-source income	16,076,152	9,365,000	6,711,152
Net cost of services	19,141,050	25,311,000	6,169,950
Revenue from the Australian Government	23,478,957	25,332,000	(1,853,043)
Surplus on continuing operations	4,337,907	21,000	4,316,907
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserves	(1,664)	-	(1,664)
Total other comprehensive (loss)/income	(1,664)	-	(1,664)
Total comprehensive income	4,336,243	21,000	4,315,243

Major variance explanation

Project contractual commitments originally forecast can vary due to the timing of completion of project deliverables. Project deliverables are subject to significant variation due to research delays. 2018-19 project expenses increased largely driven by increased investments in research, development and extension and research provider delivery of project deliverables.

Other expenses forecast allowed for Marketing expenses for Marketing levy arrangements that are not yet established.

Commonwealth Government Grant for the National Carp Control Plan of \$2,015,000 was due and forecast for in 2018-19 and is included under 'Revenue from the Australian Government' in the Portfolio Budget Statements. The 2018-19 actuals disclose the grants as a separate line item. The grants received in 2018-19 were higher than the forecast due to a 2017-18 late achievement of the deliverable payment occurring in 2018-19.

Contributions forecast varied due to new research projects during the year that include additional third-party contributions. Increases to contributions also occurred where the jurisdictions Australian Gross Value Production increased.

Other revenue original forecast allowed for additional increased project contributions that did not eventuate.

Revenue from Australian Government forecast includes funding for Average Gross Value Production (AGVP), Grants, Australian Prawn Farmers Association levies, and Australian Fisheries Management Authority levies. These items are required to be represented in the Portfolio Budget Statements together, however the FRDC Financial Statements discloses them separately.

Statement of Financial Position
as at 30 June 2019

	Portfolio Budget Statements		
	2018-19 estimate		
	Actual (A)	(B) Original	(C)= A-B Variance
	2018-19 \$	2018-19 \$	2018-19 \$
ASSETS			
Financial assets			
Cash and cash equivalents	24,553,443	16,809,000	7,744,443
Trade and other receivables	4,826,305	7,540,000	(2,713,695)
Other investments	5,001	5,000	1
Total financial assets	29,384,749	24,354,000	5,030,749
Non-financial assets			
Property, plant and equipment	74,450	140,000	(65,550)
Intangibles	686,425	1,132,000	(445,575)
Other non-financial assets	11,258	30,000	(18,742)
Total non-financial assets	772,133	1,302,000	(529,867)
Total assets	30,156,882	25,656,000	4,500,882
LIABILITIES			
Payables			
Suppliers and other payables	255,499	172,000	83,499
Projects	210,786	200,000	10,786
Other payables	-	85,000	(85,000)
Total payables	466,285	457,000	9,285
Provisions			
Employee provisions	1,019,845	957,000	62,845
Total provisions	1,019,845	957,000	62,845
Total liabilities	1,486,130	1,414,000	72,130
Net assets	28,670,752	24,242,000	4,428,752
EQUITY			
Asset revaluation reserves	411,236	410,000	1,236
Retained earnings	28,259,516	23,832,000	4,427,516
Total equity	28,670,752	24,242,000	4,428,752

Major variance explanation

Cash and cash equivalents budget varied due to the timing of receipts for special appropriation payments, grant payments and higher than anticipated project contributions received.

Trade and other receivables vary due to the timing of the Department of Agriculture determination which can result in increases and decreases to special appropriation payments at year end. The forecast for 2018-19 was lower than anticipated due to revenue from Government and project contribution received earlier.

Intangibles varied to original forecast due to internalising components of IT development resulting in reduce costs.

Retained earnings increased due to the increase in net income as a result from increased revenue.

Statement of Changes in Equity
for the period ended 30 June 2019

	Actual (A)	Portfolio Budget Statements 2018-19 estimate	
		(B)	(C)= A-B
		Original	Variance
	2018-19	2018-19	2018-19
	\$	\$	\$
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	23,921,609	23,811,000	110,609
Adjusted opening balance	23,921,609	23,811,000	110,609
Comprehensive income			
Surplus for the period	4,337,907	21,000	4,316,907
Total comprehensive income	4,337,907	21,000	4,316,907
Closing balance as at 30 June 2019	28,259,516	23,832,000	4,427,516
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	412,900	410,000	2,900
Adjusted opening balance	412,900	410,000	2,900
Comprehensive income			
Other comprehensive income	(1,664)	-	(1,664)
Total comprehensive income	(1,664)	-	(1,664)
Closing balance as at 30 June 2019	411,236	410,000	1,236
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	24,334,509	24,221,000	113,509
Adjusted opening balance	24,334,509	24,221,000	113,509
Comprehensive income			
Surplus for the period	4,337,907	21,000	4,316,907
Other comprehensive income	(1,664)	-	(1,664)
Total comprehensive income	4,336,243	21,000	4,315,243
Closing balance as at 30 June 2019	28,670,752	24,242,000	4,428,752

Major variance explanation

The variance between actual and forecast surplus for the period is explained in the Statement of Comprehensive Income.

Cash Flow Statement
for the period ended 30 June 2019

	Actual (A)	Portfolio Budget Statements 2018-19 estimate	
		(B)	(C)= A-B
		Original	Variance
	2018-19 \$	2018-19 \$	2018-19 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from the Australian Government	22,248,062	25,332,000	(3,083,938)
Contributions	10,604,532	9,436,000	1,168,532
Grants	3,418,716	-	3,418,716
Interest	519,160	300,000	219,160
Net GST received	1,646,468	-	1,646,468
Other	2,124,582	-	2,124,582
Total cash received	40,561,520	35,068,000	5,493,520
Cash used			
Employees	(3,597,929)	(3,927,000)	329,071
Suppliers	(1,760,515)	(1,725,000)	(35,515)
Projects expenditure	(32,881,918)	(28,810,000)	(4,071,918)
Total cash used	(38,240,362)	(34,462,000)	(3,778,362)
Net cash from operating activities	2,321,158	606,000	1,715,158
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment	(16,799)	(50,000)	33,201
Purchase of intangibles	(44,738)	(300,000)	255,262
Total cash used	(61,537)	(350,000)	288,463
Net cash used by investing activities	(61,537)	(350,000)	288,463
Net increase in cash held	2,259,621	256,000	2,003,621
Cash and cash equivalents at the beginning of the reporting period	22,293,822	16,553,000	5,740,822
Cash and cash equivalents at the end of the reporting period	24,553,443	16,809,000	7,744,443

Major variance explanation

Total cash received increased from original forecast due to the increased revenue relating to increases to GVP, and new project contributions.

Total cash used were higher than anticipated due to the increased project expenditure that occurred in 2018-19, largely driven by research provider delivery of project deliverables.

The variance between actual and forecast cash and cash equivalents for the period is explained in the Statement of Financial Position.