



FRDC

**Financial statements
for the period ended
31 October 2021**

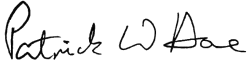
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FISHERIES RESEARCH AND DEVELOPMENT CORPORATION (FRDC)

STATEMENT BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the period ended 31 October 2021 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.



Dec 8, 2021

Signed.....
Dr Patrick Hone
Managing Director

Date



Dec 8, 2021

Signed.....
Ms Cheryl Cole
Chief Financial Officer

Date

Statement of Comprehensive Income

for the period ended 31 October 2021

	Notes	2021-22 \$	2020-21 \$	Original budget PBS 2021-22 \$
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	1,044,735	1,003,591	3,385,000
Suppliers	1.1B	290,246	312,050	1,181,000
Research & Development	1.1C	8,898,296	7,422,692	28,815,000
Depreciation and amortisation	2.2A	117,278	117,713	385,000
Finance costs	1.1D	2,917	2,237	6,000
Other expenses	1.1F	129,545	116,348	850,000
Total expenses		10,483,017	8,974,631	34,622,000
Own-source income				
Own-source revenue				
Revenue from contracts with customers	1.2A	400,000	9,730	-
Interest	1.2B	13,572	78,527	100,000
Contributions	1.2C	850,861	1,084,230	9,438,000
Other revenue	1.2D	300	24,234	2,000,000
Total own-source revenue		1,264,733	1,196,721	11,538,000
Total own-source income		1,264,733	1,196,721	11,538,000
Net cost of services		9,218,284	7,777,910	23,084,000
Revenue from the Australian Government	1.2E	14,052,209	13,992,965	23,135,000
Surplus on continuing operations		4,833,925	6,215,055	51,000
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserves	2.2A	-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		4,833,925	6,215,055	51,000

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

Statement of Financial Position

as at 31 October 2021

		2021-22	2020-21	Original budget
	Notes	\$	\$	PBS 2021-22
				\$
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	31,003,613	33,410,690	22,150,000
Trade and other receivables	2.1B	3,610,074	891,544	1,163,000
Total financial assets		34,613,687	34,302,234	23,313,000
Non-financial assets¹				
Buildings	2.2A	791,847	776,084	615,000
Plant and equipment	2.2A	101,292	114,770	109,000
Computer software	2.2A	458,117	583,954	722,000
Other non-financial assets	2.2B	26,593	19,343	15,000
Total non-financial assets		1,377,849	1,494,151	1,461,000
Total assets		35,991,536	35,796,385	24,774,000
LIABILITIES				
Payables				
Suppliers	2.3A	102,287	85,721	200,000
Projects	2.3B	2,795,559	817,548	250,000
Other payables	2.3C	7,198	-	-
Total payables		2,905,044	903,269	450,000
Interest bearing liabilities				
Leases	2.4A	819,501	803,146	772,000
Total interest bearing liabilities		819,501	803,146	772,000
Provisions				
Employee provisions	3.1A	854,327	729,445	790,000
Total provisions		854,327	729,445	790,000
Total liabilities		4,578,872	2,435,860	2,012,000
Net assets		31,412,664	33,360,525	22,762,000
EQUITY				
Asset revaluation reserve		561,765	526,551	562,000
Retained earnings		30,850,899	32,833,974	22,200,000
Total equity		31,412,664	33,360,525	22,762,000

¹ Right-of-use assets are included in the following line item - Buildings.

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

Statement of Changes in Equity
for the period ended 31 October 2021

	2021-22	2020-21	Original budget PBS 2021-22
	\$	\$	\$
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	26,016,974	26,618,919	22,711,000
Adjusted opening balance	26,016,974	26,618,919	22,711,000
Comprehensive income			
(Deficit)/surplus for the period	4,833,925	6,215,055	51,000
Total comprehensive income	4,833,925	6,215,055	51,000
Closing balance as at 31 October 2021	30,850,899	32,833,974	22,762,000
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	561,765	526,551	562,000
Opening balance	561,765	526,551	562,000
Comprehensive income			
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Closing balance as at 31 October 2021	561,765	526,551	562,000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	26,578,739	27,145,470	22,711,000
Adjusted opening balance	26,578,739	27,145,470	22,711,000
Comprehensive income			
Surplus for the period	4,833,925	6,215,055	51,000
Total comprehensive income	4,833,925	6,215,055	51,000
Closing balance as at 31 October 2021	31,412,664	33,360,525	22,762,000

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

Cash Flow Statement

for the period ended 31 October 2021

		2021-22	2020-21	Original Budget
	Notes	\$	\$	PBS 2021-22
		\$	\$	\$
OPERATING ACTIVITIES				
Cash received				
Receipts from the Australian Government		13,772,058	14,843,474	24,579,000
Contributions		2,762,583	1,776,815	10,281,000
Grants		-	-	-
Interest		9,733	54,222	100,000
Net GST received		850,917	684,737	-
Other		330	26,657	-
Total cash received		17,395,621	17,385,905	34,960,000
Cash used				
Employees		(1,009,777)	(969,584)	(3,345,000)
Suppliers		(408,385)	(475,086)	(481,000)
Research & Development		(9,946,623)	(8,734,131)	(28,815,000)
Interest payments on lease liabilities		(2,917)	(2,237)	(6,000)
Other		(142,500)	(133,483)	(1,550,000)
Total cash used		(11,510,202)	(10,314,521)	(34,197,000)
Net cash (used by)/from operating activities		5,885,419	7,071,384	763,000
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		-	-	(20,000)
Purchase of intangibles		(14,685)	(27,593)	(200,000)
Total cash used		(14,685)	(27,593)	(220,000)
Net cash (used by) investing activities		(14,685)	(27,593)	(220,000)
FINANCING ACTIVITIES				
Cash received				
Other		-	-	-
Total cash received		-	-	-
Cash used				
Principal payments of lease liabilities		(49,375)	(44,449)	(165,000)
Total cash used		(49,375)	(44,449)	(165,000)
Net cash (used by) financing activities		(49,375)	(44,449)	(165,000)
Net (decrease)/increase in cash held		5,821,359	6,999,342	378,000
Cash and cash equivalents at the beginning of the reporting period		25,182,254	26,411,348	21,772,000
Cash and cash equivalents at the end of the reporting period	2.1A	31,003,613	33,410,690	22,150,000

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 FRDC's mission is to act as a national thought leader, facilitating knowledge creation, collaboration and innovation to shape the future of fishing and aquaculture in Australia for the benefit of the Australian people. To achieve this, the FRDC plans, invests in and manages research and development for fishing and aquaculture, and the wider community, and ensures that the resulting knowledge and innovation is adopted for impact. The FRDC also undertakes monitoring of key indicators of change across fishing and aquaculture. This helps in the evaluation of impact that results from the FRDC's investments. Information collected is also of use to decision makers, to understand and respond to emerging issues.

The FRDC's strong relationships with sectors, managers and researchers are fundamental to enable the needs of key stakeholders to be identified and addressed.

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 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

	2021-22	2020-21
	\$	\$

Note 1.1: Expenses**Note 1.1A: Employee benefits**

Wages and salaries	854,936	814,361
Superannuation		
Defined contribution plans	52,978	53,121
Defined benefit plans	101,864	102,102
Leave and other entitlements	34,957	34,007
Separation and redundancies	-	-
Total employee benefits	1,044,735	1,003,591

Accounting policy

Accounting policies for employee related expenses are contained in the People and relationships section Note 3.1A.

Note 1.1B: Suppliers**Goods and services supplied or rendered**

Agency staff	-	-
Asset purchases less than \$5,000	24,788	6,044
Audit fees	-	-
Cost of goods sold	-	-
External service providers	26,227	94,982
Insurance	10,073	6,496
Information technology	171,930	162,911
Legal	15,148	-
Loss on inventory write off	-	-
Office supplies	6,161	1,041
Postage and couriers	383	41
Property	5,328	4,364
Recruitment/director selection costs	(866)	-
Representation	-	-
Telecommunications	7,798	8,077
Training	1,016	300
Travel	(418)	-
Other	13,088	23,028
Total goods and services supplied or rendered	280,656	307,284

Other suppliers

Workers compensation expenses	3,223	3,175
Operating lease rentals ¹	6,367	1,591
Total other suppliers	9,590	4,766
Total suppliers	290,246	312,050

¹ **Operating lease**

The FRDC has no short-term lease commitments as at 31 October 2021.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1B, 1.1D, 2.2A and 2.4A.

Accounting policy**Short-term leases and leases of low-value assets**

The FRDC has no right-of-use assets and lease liabilities for short-term leases or leases of low-value assets, that have a lease term of 12 months or less.

	2021-22	2020-21
	\$	\$
<i>Note 1.1: Expenses continued</i>		
Note 1.1C: Research & Development		
Australian Government entities (related parties)	663,954	138,939
State and territory governments	1,543,482	1,032,198
Universities and educational bodies	3,843,770	2,614,446
Cooperative research centres	182,062	-
Research and development corporations	65,000	-
Industry (commercial, recreational and Indigenous)	1,703,171	1,811,632
Overseas research entities	-	-
Private providers	896,858	172,214
Total Research & Development	8,898,296	7,422,692

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 and approved invoice payment by the relevant delegate.

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 for the period ending 31 October 2021 are payable as follows:

Within 1 year	31,621,851	34,375,666
Greater than 1 year	31,740,239	33,252,107
Over 5 years (from 1 July 2027)	55,000	-
Total project commitments	63,417,090	67,627,772

Note: Project commitments are GST inclusive.

Note 1.1D: Finance costs

Finance leases ¹	2,917	2,237
Total finance costs	2,917	2,237

¹ The above lease disclosures should be read in conjunction with the accompanying Notes 1.1B, 2.2A and 2.4A.

Note 1.1E: Write down and impairment of assets

Write down of intangible assets	-	-
Total write down and impairment of assets	-	-

Note 1.1F: Other expenses

Communications		
Annual report	7,920	1,000
Factsheets	-	-
Communications External Provider	63,117	9,126
Media monitoring and releases	16,400	6,450
Other stakeholder consultation	-	-
<i>FISH</i> magazine	42,021	99,772
Corporate merchandise	-	-
Photos and videos	87	-
Education materials and events	-	-
Total other expenses	129,545	116,348

	2021-22	2020-21
	\$	\$

Note 1.2: Own-source income and revenue from the Australian Government

Own-source revenue

Note 1.2A: Revenue from contracts with customers

Australian Government entities (related parties) - over time	400,000	9,730
Total revenue from contracts with customers	400,000	9,730

Accounting policy

The FRDC receives revenue from the Australian Government under which it manages a suite of research activities. These activities are listed at Note 3.4B. FRDC has specific funding agreements with the Australian Government that include enforceable rights and performance obligations. The FRDC initially recognises the funding received as a credit liability entry to recognise the contract liability (refer Note 2.3B). Once the performance obligations have been satisfied as per the funding agreement milestones over time, it is then recognised as revenue from contracts with customers, unwinding the liability.

Note 1.2B: Interest

Deposits	13,572	78,527
Total interest	13,572	78,527

Accounting policy

Interest revenue is recognised using the effective interest method.

Note 1.2C: Contributions

Fisheries

Australian Prawn Farmers Association	97,441	84,061
Australian Fisheries Management Authority	-	-
Australian Capital Territory	-	-
New South Wales	-	-
Northern Territory	-	212,189
Queensland	400,000	-
South Australia	-	49,000
Tasmania	25,270	25,788
Victoria	-	-
Western Australia	328,150	713,192
Total contributions	850,861	1,084,230

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 1.2D: Other revenue

Project funds received	-	1,946
Project refunds of prior years expenditure	-	22,288
Other	300	-
Total other revenue	300	24,234

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

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 1.2E: Revenue from the Australian Government

Department of Agriculture, Water and the Environment

Corporate Commonwealth entity payment item of 0.50% of AGVP ¹	14,052,209	13,404,114
Matching of industry contributions ²	-	588,851
Total revenue from the Australian Government	14,052,209	13,992,965

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 FRDC. 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

	2021-22	2020-21
	\$	\$
Note 2.1: Financial assets		
Note 2.1A: Cash and cash equivalents		
Cash on hand or at call	6,003,613	3,410,690
Cash on deposit:		
Fixed term deposit - original term 6 months	-	20,000,000
Fixed term deposit - original term 4 months	15,000,000	-
Fixed term deposit - original term 3 months	10,000,000	10,000,000
Fixed term deposit - original term 2 months	-	-
Fixed term deposit - original term 1 month	-	-
Total cash and cash equivalents	31,003,613	33,410,690

Accounting policy

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

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of three 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	361,298	131,748
Total goods and services receivables	361,298	131,748

Department of Agriculture, Water and the Environment

Receivables	3,122,713	588,851
Total receivables from Department of Agriculture, Water and the Environment	3,122,713	588,851

Other receivables

GST receivable from the Australian Taxation Office	122,224	170,945
FBT receivable from the Australian Taxation Office	-	-
Interest receivable from the Commonwealth Bank	3,839	-
Total other receivables	126,063	170,945
Total trade and other receivables	3,610,074	891,544

Trade and other receivables are expected to be recovered

No more than 12 months	3,610,074	891,544
Total trade and other receivables	3,610,074	891,544

Trade and other receivables aged as follows

Not overdue ¹	3,609,744	820,044
Overdue by		
0 to 30 days	330	16,500
31 to 60 days	-	55,000
Total trade and other receivables	3,610,074	891,544

¹ Credit terms for goods and services are within 30 days (2020-21: 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 2.2: 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**

	Buildings ¹	Plant and equipment	Intangibles (computer software)	Total
	\$	\$	\$	\$
As at 1 July 2021				
Gross book value	1,009,479	121,200	1,321,362	2,452,041
Accumulated depreciation and amortisation	(339,291)	-	(833,222)	(1,172,513)
Total as at 1 July 2021	670,188	121,200	488,140	1,279,528
Additions				
Purchase	-	-	-	-
Internally developed	-	-	14,685	14,685
Right-of-use-assets ¹	174,321	-	-	174,321
Depreciation and amortisation	-	(19,908)	(44,708)	(64,616)
Depreciation on right-of-use assets	(52,662)	-	-	(52,662)
Total as at 31 October 2021	791,847	101,292	458,117	1,351,256
Total as at 31 October 2021 represented by				
Gross book value	1,183,800	121,200	1,336,047	2,641,047
Accumulated depreciation and amortisation	(391,953)	(19,908)	(877,930)	(1,289,791)
Total as at 31 October 2021	791,847	101,292	458,117	1,351,256
Carrying amount of right-of-use assets	791,847	-	-	791,847

¹ **Right-of-use-assets (Building leases)**Canberra office

The lease for the office accommodation at 25 Geils Court, Deakin, Australian Capital Territory expires 31 July 2023, with a 3 year right of renewal until 31 July 2026. 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 of Botanic and Hackney Roads, Adelaide, South Australia expires on 31 July 2026, with an option to review on 1 August 2026. Lease payments are subject to a CPI annual increase in accordance with the lease agreement.

No indicators of impairment were found for plant and equipment or intangibles.

No 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).

Lease right-of-use (ROU) assets

Lease ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the FRDC has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and whole of government financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) 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:

	2021-22	2020-21
Buildings (including ROU assets)	Lease term	Lease term
Leasehold improvements	Lease term	Lease term
Plant and equipment	up to 5 years	up to 5 years

Impairment

All assets were assessed for impairment at 31 October 2021. 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 (2020-21: 10 years). All software assets were assessed for indications of impairment as at 31 October 2021.

	2021-22	2020-21
	\$	\$

Note 2.2: Non-financial assets continued

Note 2.2B: Other non-financial assets

Prepayments	26,593	19,343
Total other non-financial assets	26,593	19,343

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

	2021-22	2020-21
	\$	\$

Note 2.3: Payables

Note 2.3A: Suppliers and other payables

Trade creditors and accruals	36,000	25,700
FBT payable	(341)	(791)
PAYG payable	66,628	60,812
Other	-	-
Total suppliers and other payables	102,287	85,721

Settlement is usually made within 30 days.

Note 2.3B: Projects

State and territory government expense	-	-
Universities and educational bodies	-	-
Industry (commercial, recreational and Indigenous)	-	-
Overseas research entities	-	-
Contract liability ¹	2,795,559	817,548
Other	-	-
Total projects	2,795,559	817,548

¹ The contract liability is associated with funding provided for research & development activities under Funding Agreements with the Department of Agriculture, Water and the Environment, NSW Department of Primary Industries, Australian Maritime Safety Authority and Great Barrier Reef Marine Park Authority as detailed below.

Department of Agriculture, Water and the Environment

- Assist with data generation to support Australian Pesticides and Veterinary Medicines Authority application
- Development of on-farm biosecurity plan implementation support programs for aquaculture industry
- AQUAPLAN Development Workshop Publication
- Aquatic Animal Health Training Scheme 2019 - 2022
- Compilation of Information for the Marine Mammal Protection Act Comparability Finding Process
- Indigenous Engagement Strategy
- Finfish - Ectoparasites - Ag Vet 6 - 4-G1AHKTN

The FRDC recognised a contract liability in 2021-22 totalling: \$479,659

NSW Department of Primary Industries

- NSW seafood product development program
- Research project to investigate and develop a framework to establish Aboriginal commercial fishing, aquaculture and other related businesses in NSW
- Research and development for Harvest Strategies in NSW

The FRDC recognised a contract liability in 2021-22 totalling: \$1,325,900

Australian Maritime Safety Authority

- Seafood Industry Safety Initiative SISI funding support

The FRDC recognised a contract liability in 2021-22 totalling: \$690,000

Great Barrier Reef Marine Park Authority

- Habitat ecological risk assessment for eco-regions with high trawl footprints, in southern Queensland

The FRDC recognised a contract liability in 2021-22 totalling: \$300,000

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.

As per AASB 15 *Revenue from Contracts with Customers*, contract liabilities are recognised at their nominal amounts, being the amounts at which the liabilities are not yet settled. They relate to payments received for funding provided for research and development activities, of which specific performance obligations were not met at the end of the reporting period.

Note 2.3C: Other payables

Other	7,198	-
Total other payables	7,198	-

	2021-22	2020-21
Note 2.4: Interest bearing liabilities	\$	\$
Note 2.4A: Leases		
Lease liabilities ¹	819,501	803,146
Total leases	819,501	803,146

¹ Total cash outflow for leases for the period ended 31 October 2021 was \$49,375 plus finance costs of \$2,917.

The FRDC in its capacity as lessee has leased office accommodation located at 25 Geils Court, Deakin, Australian Capital Territory, which expires 31 July 2023, and has a 3 year right of renewal until 31 July 2026. Lease payments are paid on a monthly basis and subject to a 3 per cent annual increase in accordance with the lease agreement.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1B, 1.1D, 2.2A and 2.4A.

Accounting Policy

For all new contracts entered into, the FRDC considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

People and relationships

	2021-22	2020-21
Note 3.1: Employee provisions	\$	\$
Note 3.1A: Employee provisions		
Leave	854,327	729,445
Total employee provisions	854,327	729,445
Employee provisions that could be settled		
No more than 12 months	737,014	642,405
More than 12 months	117,313	87,040
Total employee provisions	854,327	729,445

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.

	2021-22	2020-21
	\$	\$
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 senior general managers. Key management personnel remuneration is reported in the table below:		
Short-term employee benefits (salary plus annual leave expense)	489,365	277,711
Post-employment benefits (superannuation)	78,851	46,208
Other long-term employee benefits (long service leave)	52,473	36,047
Total key management personnel remuneration expenses¹	620,690	359,966

¹ The total number of key management personnel that are included in the above table is 18 (2020-21: 13). They are made up of:

- one non-executive director (Chair)
- seven non-executive directors
- one Managing Director
- four senior general managers
- five non-executive directors (retired 31 August 2021)

	2021-22	2020-21
Note 3.3: Annual total remuneration ranges (including superannuation) paid to key management personnel		
Nil to \$39,999	10	1
\$40,000 to \$69,999	3	8
\$160,000 to \$239,999	4	3
\$300,000 to \$329,999	0	0
\$360,000 to \$389,999	1	1
Total number of key management personnel	18	13

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 senior general managers and other Australian Government entities.

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

Mr John Williams	Chair (Chair Remuneration Committee)
Professor Colin D. Buxton	Director (Re-appointed 1 September 2021)
Dr Christopher Calogeras	Director (Appointed 1 September 2021)
Dr Saranne Cooke	Director (Re-Appointed 1 September 2021) (Chair Finance and Audit Committee)
Dr Patrick Hone	Managing Director
Mrs Suzanne Hullick	Director (Appointed 1 September 2021) (Member Finance and Audit Committee)
Mr Boris Musa	Director (Appointed 1 September 2021) (Member Finance and Audit Committee)
Mr Alex Ogg	Director (Appointed 1 September 2021) (Member Remuneration Committee)
Dr Lyndal Thorburn	Director (Appointed 1 September 2021) (Member Remuneration Committee)
Dr Kathryn Brooks	Director (Retired 31 August 2021)
Ms Katina Hodson-Thomas	Director (Retired 31 August 2021)
Mr Mark King	Director (Retired 31 August 2021)
Mr John Lloyd	Director (Retired 31 August 2021)
Dr Lesley MacLeod	Director (Retired 31 August 2021)

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 where directors have disclosed a material personal interest, all the transactions with that entity will be disclosed. 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 directors disclosed material personal interests during the directors' related period.

Director	Organisation and position held	Nature of interest
Dr K. Brooks	OzFish Unlimited <i>Non-Executive Director</i> 1 July 2021 to 31 August 2021	Research projects or work undertaken by the organisation
	School of Humanities and Social Sciences, Faculty of Arts and Education Deakin University <i>Adjunct Associate Professor</i> 1 July 2021 to 31 August 2021	Research projects or work undertaken by the organisation
Professor C. D. Buxton	Southern Rock Lobster Ltd <i>Chair</i> 1 July 2021 to current	Research projects or work undertaken by the organisation
	Institute for Marine and Antarctic Studies University of Tasmania * <i>Adjunct Professor</i> 1 July 2021 to current	Research projects or work undertaken by the organisation
Dr Christopher Calogeras	C-AID Consultants <i>Director</i> 1 September 2021 to current	Research projects or work undertaken by the organisation
Mr Boris Musa	Australian Barramundi Farmers Association <i>Non-Executive Director</i> 1 September 2021 to current	Research projects or work undertaken by the organisation
Mr Alex Ogg	Seafood Industry Australia <i>Member</i> 1 September 2021 to current	Research projects or work undertaken by the organisation

The following transactions occurred during the directors' related period with these entities.

Transactions with related entities	2021-22		2020-21	
	Expenditure	Income	Expenditure	Income
School of Humanities and Social Sciences, Faculty of Arts and Education Deakin University	41,041	-	-	-
Southern Rock Lobster Ltd	82,500	-	-	-
Institute for Marine and Antarctic Studies University of Tasmania	1,897,462	-	1,280,983	-
Australian Barramundi Farmers Association	27,500	-	-	-
Seafood Industry Australia	116,600	-	-	-
Council of Rural Research & Development Corporation	-	-	22,159	-

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

Note 3.4B: Other related party disclosures**Department of Agriculture, Water and the Environment**

The FRDC has a Research & Development Funding Head Agreement with the Department of Agriculture, Water and the Environment under which it manages the suite of activities detailed below:

- Assist with data generation to support Australian Pesticides and Veterinary Medicines Authority (APVMA) application
- National Carp Control Program
- Development of on-farm biosecurity plan implementation support programs for the aquaculture industry
- AQUAPLAN Development Workshop Publication
- Aquatic Animal Health Training Scheme 2019 - 2022
- Compilation of Information for the Marine Mammal Protection Act Comparability Finding Process
- Indigenous Engagement Strategy
- Finfish - Ectoparasites - Ag Vet 6 - 4-G1AHKTN
- Rural R&D for Profit : Growing a profitable, innovative and collaborative Australian Yellowtail Kingfish aquaculture industry: bringing 'white' fish to the market

The FRDC has received new funding from the Department of Agriculture, Water and the Environment in 2021-22 totalling: \$400,000 (2020-21: \$9,730).

Financial instrument and fair value measurement

	2021-22	2020-21
	\$	\$
Note 4.1: Financial instruments		
Note 4.1A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	31,003,613	33,410,690
Trade and other receivables	365,137	131,748
Total financial assets at amortised cost	31,368,750	33,542,438
Total financial assets	31,368,750	33,542,438
Financial liabilities		
Financial liabilities measured at amortised cost		
Suppliers and other payables	36,000	25,700
Projects	2,795,559	817,548
Total financial liabilities measured at amortised cost	2,831,559	843,248
Total financial liabilities	2,831,559	843,248

Accounting policy

Financial assets

As per *AASB 9 Financial Instruments*, the FRDC classifies its financial assets in the following category:

- 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:

1. the financial asset is held in order to collect the contractual cash flows; and
2. 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).

	2021-22	2020-21
	\$	\$
Note 4.1B: Net gain or loss from financial assets		
Financial assets at amortised cost		
Interest revenue (Note 1.2B)	13,572	78,527
Net gains on financial assets at amortised cost	13,572	78,527

There are no gains or losses on financial liabilities.

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 2021. 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	
	2021-22	2020-21
	\$	\$
Non-financial assets		
Leasehold improvements	107,600	111,450
Plant and equipment	13,600	17,950
Total non-financial assets	121,200	129,400

The FRDC did not measure any non-financial assets at fair value on a non-recurring basis as at 31 October 2021.

As at 30 June 2021, 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 increment 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.

Other information

	2021-22	2020-21
	\$	\$
Note 5.1: Current/non-current distinction for assets and liabilities		
Note 5.1A: Current/non-current distinction for assets and liabilities:		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	31,003,613	33,410,690
Trade and other receivables	3,610,074	891,544
Other non-financial assets	26,593	19,343
Total no more than 12 months	34,640,280	34,321,577
More than 12 months		
Buildings	791,847	776,084
Plant and equipment	101,292	114,770
Computer software	458,117	583,954
Total more than 12 months	1,351,256	1,474,808
Total assets	35,991,536	35,796,385
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	102,287	85,721
Projects	2,795,559	817,548
Other payables	7,198	-
Leases	167,119	151,065
Employee provisions	737,014	642,405
Total no more than 12 months	3,809,177	1,696,739
More than 12 months		
Leases	652,382	652,081
Employee provisions	117,313	87,040
Total more than 12 months	769,695	739,121
Total liabilities	4,578,872	2,435,860

2021-10-31 Financial Statements

Final Audit Report

2021-12-08

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