

# **Tasmanian Abalone Council Ltd**

**ACN 009 590 578**

## **Financial Report**

**For the Year Ended 30 June 2020**

# Tasmanian Abalone Council Ltd

For the Year Ended 30 June 2020

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# Tasmanian Abalone Council Ltd

## Directors' Report

30 June 2020

Your Directors present their report on the Company for the financial year ended 30 June 2020.

### 1. General information

#### 1. Directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Joey McKibben	President & Director	Re-elected 2018
Darvin Hansen	Vice President & Director	Not re-elected 2019
Avril Brown	Treasurer & Director	Re-appointed 2019
Alan Gray	Quota Holder Sub-Council Chair & Director	Resigned Aug 2019
Steve Crocker	Processor Sub-Council Chair & Director	Re-appointed 2018
Paul Richardson	Diver Sub- Council Chair & Director	Re-appointed 2019
Sue Forward	Quota Holder Sub-Council Chair & Director	
Rob Royle	Director	Elected AGM 2019
Sean Larby	Director	Elected AGM 2019
Adrian Cuthbertson	Director	Elected AGM 2019
Ben Cobbing	Director	Re-elected 2018
Robert Scanlon	Director	Resigned 2018
Byron Ransom	Director	Not re-elected 2019
Jeremy Huddleston	Director	Not re-elected 2019
Tony Bush	Director	Re-appointed 2018
Ruben Bock	Director	Elected 2018

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

#### 2. Principal Activities

The principal activities of the Tasmanian Abalone Council Ltd during the financial year were:

- to protect and sustain the long term biological viability of the abalone fishery;
- to maintain and/or improve the long term economic viability of the industry; and
- to act as an effective advocate in pursuit of these goals.

No significant change in the nature of these activities occurred during the year.

#### Objectives

The Company's objectives are to:

- Work collaboratively with members from each of the three sectors to jointly invest in the future of the

# Tasmanian Abalone Council Ltd

## Directors' Report

30 June 2020

### 1. General information continued

#### Objectives continued

- industry and maximise their returns;
- Professionally represent the members and their interests to external stakeholders, industry partners, governments and the broader community;
- Protect the long term sustainability of the fishery through effective marine resource management, increased human skill and competence across the organisation and supply chain, and the development of a premium consumer image for Tasmanian abalone products;
- Implement strategies to enable the ongoing viability of the industry;
- Implement strategies that optimise the returns to Tasmania from the State's 25% share of the global wild abalone resource;
- Communicate regularly and directly with industry, Government and the community about the progress of the plan and the benefits to stakeholders; and
- Establish and implement clear governance procedures within the Tasmanian Abalone Council Ltd to enable transparent and professional organisational leadership.

#### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Benchmark Tasmanian Abalone Council Ltd governance arrangements and procedures against recommended standards established by national corporate regulators/policy makers;
- Communicate to industry members and regulators regarding governance changes;
- At both the Board and industry levels, build mutually beneficial linkages with regulators, researchers, agencies, and communities to communicate, promote and invest in the industry's wellbeing;
- Work jointly with other seafood sectors, other users of the marine resource and the Tasmanian Department of Primary Industries, Parks, Water and Environment to share information regarding the resource and its usage, analyse risks and plan responses to biosecurity and other threat; and
- Develop a value proposition to present to members regarding the industry growth and potential increased returns from their joint investment in key initiatives, including market development and promotion in selected Asian markets. Also to pursue government grants and co-funding opportunities when appropriate.

# Tasmanian Abalone Council Ltd

## Directors' Report

30 June 2020

### 1. General information continued

#### Performance measures

The following measures are used within the Company to monitor performance:

- Detailed budgets are prepared in which actual's vs budget are presented to the Board at each meeting and progress is monitored on behalf of the members; and
- Annual performance reviews are conducted by a subcommittee of the Board (consisting of the President, Vice President and Treasurer).

#### Members guarantee

Tasmanian Abalone Council Ltd is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 for members, subject to the provisions of the Company's constitution.

At 30 June 2020 the collective liability of members was \$ 10,220 (2019: \$ 10,220).

### 3. Information on Directors

Joey McKibben President & Director

Qualifications & Experience Educated at Hutchins School, then Geelong Grammar, Victoria; School prefect 2001. 4 years building experience in Queensland. Abalone deckhand sporadically since 2002. Quotaholder and Member of the Tasmanian Abalone Council since 2003. Involved in Surveyors Bay Coast Care committee since 2003. Abalone diver since 2007. Elected Diver Sub-Council Chair August 2008. Elected Vice President 2011, elected President 2014.

Darvin Hansen Vice President & Director

Qualifications & Experience Educated at St Patrick's College, Launceston. Bachelor of Science in Electrical Engineering from the University of Wisconsin – Madison. Employed by Tasmanian Seafoods Pty Ltd since 2001 at Smithton, Dandenong and Margate factories. General Manager of Tasmanian Seafoods Margate factory (EX816) since July 2013. Elected as a Director of the Tasmanian Abalone Council in October 2013, elected Vice President 2014.

Avril Brown Treasurer & Director

Qualifications & Experience Certificate of Fisheries Management (AMC), Certificate Coastal Management, Certificate Frontline and Business Management. Other Certificates qualifications include Marine Biology, Taxonomy, Marine Ecosystems at Uni of Tasmania and Monash Uni. AS 2815 Level 2 Occupational Diver, NASDS/FAUI Master Diving Instructor/Examiner. St John's Senior Resuscitation Instructor/Examiner. Relevant work history: managed Fisheries Action Program (NHT) and Fishcare (Tas), Departmental Dive Supervisor with TAFI/DPIF, Tech Officer – Tasmanian Museum & Art Gallery, University of Tasmania. Author & co-author various policy and scientific papers, training & OH&S manuals. Dive school owner/operator. Quota owner and Mothership partner.

# Tasmanian Abalone Council Ltd

## Directors' Report

30 June 2020

### 3. Information on Directors continued

Ben Cobbing	Director
Qualifications & Experience	Operated his own business for approximately ten years as a portable saw miller and contracting for exploration companies. Entered the abalone industry in 2002 as a deckhand. Became a Diver and Quota owner, and have been a member of the TAC since 2007. Elected as a Director of the Tasmanian Abalone Council Board in 2012.
Jeremy Huddleston	Director
Qualifications & Experience	Educated at Marist Regional College. Qualified as a Panel Beater and worked for 4 1/2 years at Motors in Burnie and Hobart. Worked at a variety of deck hand positions since 2004 including Scallop, Rock Lobster, Shark and Abalone. Has been diving professionally since 2006. Spent 1 year in the Northern Territory on Sea Cucumber. Marinova diver/harvest planner, quota owner, abalone diver, mothership owner and skipper.
Byron Ransom	Director
Qualifications & Experience	Worked for 5 years as a deckhand on crayfish boats and 5 years as a deckhand for divers. Spent 2 years running own crayfish boat. 1 year in the blue eye and shark fishery. 6 years as a deck hand for abalone divers and 20 yrs diving for self. Built and managed for 7 years a 42 bed motel at Strahan.
Rob Royle	Director
Qualifications & Experience	Rob holds a degree in Civil Engineering from Sydney University and has worked in the civil and building construction industry, as a manager and company owner, for government authorities and private owners. He invested in the Tasmanian Abalone industry in 1987 and was actively involved in the delivery of the Deed of Agreement in 1994 and negotiation of subsequent variations. As the inaugural Chair of the Quota Holder Sub-Council he promoted and participated in the introduction of zones to the abalone fishery. In managing the harvesting of quota he has developed relationship with divers, processors and governments involved in the industry. He has investments in rural production and property and is actively involved in management of those investments.
Alan Gray	Quota Holder Sub-Council Chair & Director
Qualifications & Experience	Been involved in industry since 1988. Started diving 1994. Elected to the board of Tasmanian Abalone Council 1996-2008. Chairman of Divers Sub-Council 1997-98. Invited member of ABFAC 2005. Elected to the board of ABFAC 2006-2008. Member of abalone futures committee 2005-06. Member of the abalone resource advisory group. Director of Shelly Point Seafish Pty Ltd. Director of Fishing Investment & Management Pty Ltd (broker, consultancy, valuation company). Abalone quota & dive licence owner. Diesel engineer. Chairman of Quota Holders Sub-Council 2013.

# Tasmanian Abalone Council Ltd

## Directors' Report

30 June 2020

### 3. Information on Directors continued

Paul Richardson Dive Sub-Council Chair & Director

Qualifications & Experience Elected as Dive Sub-Council Chair 2012. Educated Riverside High School, Launceston College and Hobart Technical College. Worked in Hospitality in a family business till 1980, then self employed in the hospitality, tourism and fishing industries. Full time in the abalone industry since 1987. Past Board member North East Tourism Council. Past President Surfing Tasmania. Elected to the Tasmanian Abalone Council Board in 2012 and also a current TSIC Board Member.

Adrian Cuthbertson Director

Qualifications & Experience Adrian is a third generation fisherman. He graduated from the University of Tasmania in 1974. Adrian paid for his university tuition by working as a dinghy boy on an abalone mothership on the west coast of Tasmania. In 1977 he was the recipient of a Churchill Fellowship that enabled him to study abalone hatchery and farming techniques in Japan, the USA and Mexico. He graduated to skipper of an abalone mothership in 1978 and held that position until 1983. Adrian was the Tasmanian President of the Australian Fishing Industry Council in 1978 and 1979. Adrian started the first Australian abalone farm on Tasmania's east coast in 1986. In 1989 he was the first to ship live abalone on a regular basis to markets in Japan. He established Seafood Traders Pty Ltd at Cambridge in 1993 as a live abalone export company. Seafood Traders Pty Ltd is the longest operating live abalone exporter in Tasmania with the business now being managed by Adrian's son Alex. Over a 30 year period Adrian has developed his own regular markets for live abalone in Japan, Taiwan, China and the USA. Adrian is the CEO and major shareholder Marine Bio Technology Australia Pty Ltd, a drug discovery company developing anti viral products from abalone blood. He is also an abalone quota owner.

# Tasmanian Abalone Council Ltd

## Directors' Report

30 June 2020

### 3. Information on Directors continued

Steve Crocker	Processor Sub-Council Chair & Director
Qualifications & Experience	<p>Educated at New Town High School, qualified Fitter &amp; Machinist for 6 years at the Hydro Electric Commission. High end race engine engineering for local and national competition. Before entering the seafood industry at Boomer Park, Dunalley for 5 years. Built and managed a small seafood export plant at Sorell for live lobster and abalone for 3 years. Which lead to establishing and working for 'Tassie Lobster' in 1992, began exporting live abalone in 1998 and became Manager in 2001 and Managing Director in 2006.</p> <p>Previous Member of the Rock Lobster Advisory Committee, President of Rock Lobster Processors Association, Member of the Felmingham Report Post Harvest Committee, Treasurer for 7 years of the Southern Tasmanian Kart Club and Life Member.</p>
Sean Larby	Director
Qualifications & Experience	<p>Sean Larby is currently an abalone diver, quota holder representative, abalone dive entitlement owner, sea urchin diver, commercial dive treasurer and secretary, commercial dive entitlement owner, ScaleFAC board and more recently the Commercial Dive Association executive as treasurer and secretary, Sean graduated from the Australian Maritime College in 1992 with a Bachelor of Applied Science (Fisheries). Sean never forgets how lucky he is to be diving in a wild fishery in such a pristine environment as Tasmania. Every day to work and see nature at its finest and the opportunity to feed people around the world with our renowned seafood and specifically one of the most sought after culinary items on the planet. He is passionate about Tasmanian abalone and it's place in the environment, on the plate and in the world.</p>
Tony Bush	Director
Qualifications & Experience	<p>Graduated as a secondary maths/science teacher in 1979 and left teaching to go diving in 1984. He left diving around 1998 after establishing an information management business in Launceston. This business was initially based around the warehousing of documents for corporate clients. As time progressed the company began backing up digital data to CD then created an online backup presence, one of the first in Australia. Sold The Document Centre to a multinational April 2015.</p> <p>Held quota continually since leaving the diving space and have served on several boards, currently being chair of Golf Tasmania.</p>
Ruben Bock	Director
Qualificaitons & Experience	<p>Ruben grew up in the Abalone industry and has been diving around Binalong bay since he was 12. He is a chartered financial analyst (CFA) by trade. The CFA is the mark of distinction across the global investment industry, with 12 plus years experience as an investmnet specialist and has worked for national and multi-national companies during this time. He brings both a passion for the Abalone industry and a valuable perspective around risk management and investment performance.</p>



# Tasmanian Abalone Council Ltd

## Directors' Report

30 June 2020

### 3. Information on Directors continued

#### Meetings of directors

During the financial year, 5 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Joey McKibben	5	5
Darvin Hansen	2	2
Avril Brown	5	5
Alan Gray	2	2
Paul Richardson	3	3
Steve Crocker	5	4
Adrian Cuthbertson	3	3
Sean Larby	3	3
Rob Royle	3	3
Ben Cobbing	5	4
Tony Bush	5	5
Byron Ransom	2	2
Jeremy Huddleston	2	2
Ruben Bock	5	5
Sue Forward	3	3

### 2. Operating Results and Review of Operations for the Year

#### 1. Operating Results

The total comprehensive income from ordinary activities amounted to \$(50,764), (2019: \$3,970).

### 3. Other items

#### 1. Significant Changes in State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

# Tasmanian Abalone Council Ltd

## Directors' Report

30 June 2020

### 3. Other items continued

#### 2. After balance date events

The Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world, including Australia, and the community where the Company operates. The scale, timing and duration of the potential impacts on the Company is unknown, as are any future mitigative factors. The Board continues to closely monitor the impacts of COVID-19 and will respond as appropriate.

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

#### 3. Future developments

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

### 4. Indemnifying Officers or Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability as such officer or auditor.

### 5. Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

### 6. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 25 of the financial report.

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

Director: .....

Director: .....

Dated this ..... day of .....2020.

# Tasmanian Abalone Council Ltd

## Directors' Declaration

The Directors of the entity declare that:

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

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

Director .....

Director .....

Dated this .....of ..... 2020.

# Tasmanian Abalone Council Ltd

## Statement of Comprehensive Income

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
<b>Income</b>		
AIRF income	62,705	276,215
Diving training and first aid	14,700	11,760
Grants	200,000	206,112
Interest received	20,050	20,410
Membership subscription	3,056	3,246
Rent and hire charges	4,000	3,161
Research contribution DPIPWE	766	15,744
Sundry income	5,000	4,500
TAC Levy	429,961	422,726
<b>Total Income</b>	<u>740,238</u>	<u>963,874</u>
<b>Expenses</b>		
AAA and ACA contributions	5,600	6,200
AGM and meetings	22,136	33,686
AIRF expenses	41,222	289,277
Audit and accounting fees	8,665	6,600
Administration and management fees	14,848	-
Chair fees	6,500	7,799
Consulting and legal fees	6,161	2,480
Depreciation expense	1,859	4,003
Dive training and first aid	14,670	9,130
Donations	-	21,818
Employee expenses	263,763	271,978
Grant expense	308,081	212,771
Office and administration expenses	63,172	78,435
Research and development costs	-	9,964
Sundry expenses	30,160	1,662
Travel and accommodation	4,165	4,101
<b>Total Expenses</b>	<u>791,002</u>	<u>959,904</u>
<b>Net surplus/(deficit) for the year</b>	<u>(50,764)</u>	<u>3,970</u>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>(50,764)</u>	<u>3,970</u>

The accompanying notes form part of these financial statements.

# Tasmanian Abalone Council Ltd

## Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		675,966	791,741
Trade and other receivables	3	45,895	14,115
Term deposits		600,000	600,000
Prepayments		1,788	1,727
<b>TOTAL CURRENT ASSETS</b>		<u>1,323,649</u>	<u>1,407,583</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,492	3,351
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,492</u>	<u>3,351</u>
<b>TOTAL ASSETS</b>		<u>1,325,141</u>	<u>1,410,934</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	19,172	38,425
Employee benefits	6	29,872	10,005
AIDF - deferred income		-	542,167
AIRF - deferred income		-	23,785
<b>TOTAL CURRENT LIABILITIES</b>		<u>49,044</u>	<u>614,382</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	6	-	11,858
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>11,858</u>
<b>TOTAL LIABILITIES</b>		<u>49,044</u>	<u>626,240</u>
<b>NET ASSETS</b>		<u>1,276,097</u>	<u>784,694</u>
<b>EQUITY</b>			
Accumulated surpluses		838,723	784,694
Reserves	1(g)	437,374	-
<b>TOTAL EQUITY</b>		<u>1,276,097</u>	<u>784,694</u>

The accompanying notes form part of these financial statements.

# Tasmanian Abalone Council Ltd

## Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Restricted Reserve	Accumulated Surpluses	Total
	\$	\$	\$
<b>Balance at 1 July 2019</b>	-	784,694	784,694
Net surplus/(deficit) for the year	-	(50,764)	(50,764)
Transfer to reserve	(104,793)	104,793	-
Initial recognition of AASB 1058	542,167	-	542,167
<b>Balance at 30 June 2020</b>	<u>437,374</u>	<u>838,723</u>	<u>1,276,097</u>

2019

	Restricted Reserve	Accumulated Surpluses	Total
	\$	\$	\$
<b>Balance at 1 July 2018</b>	-	780,724	780,724
Net surplus/(deficit) for the year	-	3,970	3,970
<b>Balance at 30 June 2019</b>	<u>-</u>	<u>784,694</u>	<u>784,694</u>

The accompanying notes form part of these financial statements.

# Tasmanian Abalone Council Ltd

## Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Receipts from government, members and customers	819,971	1,070,534
Payments to suppliers and employees	(955,796)	(1,052,640)
Net cash provided by operating activities	7(b) <u>(135,825)</u>	<u>17,894</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on term deposits	20,050	20,397
Purchase of term deposits	-	(150,000)
Net cash provided by investing activities	<u>20,050</u>	<u>(129,603)</u>
Net cash increase (decreases) in cash and cash equivalents	(115,775)	(111,709)
Cash and cash equivalents at beginning of year	791,741	903,450
Cash and cash equivalents at end of financial year	7(a) <u><u>675,966</u></u>	<u><u>791,741</u></u>

The accompanying notes form part of these financial statements.

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

This financial report is for the Tasmanian Abalone Council Ltd as a individual entity, incorporated and domiciled in Australia. Tasmanian Abalone Council Ltd is a Company limited by guarantee.

### 1 Summary of Significant Accounting Policies

#### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards- Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### (a) Comparative Figures

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

#### (b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (c) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Plant and equipment

Plant and equipment are measured using the cost model.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

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



# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies continued

#### (c) Plant and Equipment continued

##### **Class of Fixed Asset**

Plant and Equipment	5% - 33%
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#### (d) Leases

The Company as a lessee

At lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the College believes it is reasonably certain that the option will be exercised. Finance leases are recognised at an amounts equal to the present value of the minimum lease payments determine at the inception of the lease or initial recognition in the case of first time application of AASB 16 leases.

The right-of-use asset using the cost model where cost on initial recognition comprises: the reasonability. initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease.

The Company has elected to apply the exceptions to lease accounting for both short - term leases (i.e leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company currently does not have any operating leases other than the annual lease of the building which is on a year by year term.

Company as a lessor

The Company does not act as a lessor in any leasing arrangements.

#### (e) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (f) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies continued

#### (f) Employee Benefits continued

period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using corporate bond rates with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

#### (g) Restricted Reserve

Restricted reserves represent amounts not otherwise recorded in the financial statement for which the Company has set aside accumulated surpluses for specific purposes being either internal or external restrictions. The amount as at 30 June 2020 represents the amount of unspent grant funds for which there is no present obligation or liability.

#### (h) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer below for details of the changes due to standards adopted.

#### Revenue

AASB 15 Revenue from contracts with customers and AASB 1058 Income for not for profit entities became effective from 2020. These standards changed the timing of income recognition depending on whether transactions give rise to a liability or other performance obligation (a promise to transfer a good or service).

The impact in 2020 first time implementation resulted in the grants received by the various grantors revenue being recognised when received as opposed to the previous deferral. During the 2020 year an amount of \$542,167 from grants received in advance liability was recorded via accumulated surpluses as if it was previously recognised when received. During 2020 the amount of revenue recognised in respect of the grants was the amount received.

#### Leases

AASB 16 Leases standard is applicable to annual reporting periods beginning on or after 1 January 2019. The Association applied the standard from 1 July 2019.

AASB 16 Leases introduced a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value (lower than the asset capitalisation policy). A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies continued

#### (h) Adoption of new and revised accounting standards continued

The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets is recognised and amortised over the term of the lease. Rent expense is no longer shown. The profit and loss impact of the leases is through amortisation and interest charges. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

There has been no impact for the Company for the year ended 30 June 2020.

#### (i) Revenue and Other Income

##### Accounting policy from 1 July 2019

Membership and levy income is recognised over the period to which the membership or levy relates.

Interest revenue is recognised over the period in which the funds were invested.

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

Donations are recognised as revenue when received.

Operating Grants - under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and with grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate method to reflect the transfer of benefit.

Operating Grants - under AASB 1058

Assets arising from grants in scope of AASB 1058 (i.e agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Company at significantly below its fair value.

The Company then considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded assets and liability.

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

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies continued

#### (i) Revenue and Other Income continued

##### Revenue - prior to July 2019

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

Membership and levy income is recognised over the period to which the membership or levy relates.

Interest revenue is recognised over the period in which the funds were invested.

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

Donations are recognised as revenue when received.

Non-reciprocal grant revenue in surplus or deficit when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

#### (j) Income Tax

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

#### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 2 Critical Accounting Estimates and Judgments

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

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

#### Key estimates - Revenue Recognition

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgemental involving discussions, review of the grant documents and consideration of the terms and conditions. Grants received by the Company have been accounted for under AASB 1058 based on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

### 3 Trade and Other Receivables

	2020	2019
	\$	\$
Trade receivables	3,684	2,615
Accrued interest	3,025	4,583
GST Receivable	39,186	6,917
	<u>45,895</u>	<u>14,115</u>

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 4 Plant and Equipment

	2020	2019
	\$	\$
Plant and equipment		
At cost	45,591	45,591
Accumulated depreciation	(44,099)	(42,240)
	<u>1,492</u>	<u>3,351</u>

#### (a) Movements in carrying amounts of plant and equipment

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

	Plant and Equipment	Total
	\$	\$
<b>Year ended 30 June 2020</b>		
Balance at the beginning of year	3,351	3,351
Depreciation expense	(1,859)	(1,859)
<b>Balance at the end of the year</b>	<u>1,492</u>	<u>1,492</u>
	<b>Plant and Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2019</b>		
Balance at the beginning of year	7,354	7,354
Depreciation expense	(4,003)	(4,003)
<b>Balance at the end of the year</b>	<u>3,351</u>	<u>3,351</u>

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 5 Trade and Other Payables

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	3,473	22,203
PAYG withholding	15,699	16,222
	<u>19,172</u>	<u>38,425</u>

### 6 Employee Benefits

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Annual leave	12,962	10,005
Long service leave	16,910	-
	<u>29,872</u>	<u>10,005</u>
<b>NON CURRENT</b>		
Long service leave	-	11,858
	<u>-</u>	<u>11,858</u>

### 7 Cash Flow Information

#### (a) Reconciliation of cash

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank and on hand	682,777	806,498
Bank overdraft	(6,811)	(14,757)
	<u>675,966</u>	<u>791,741</u>

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 7 Cash Flow Information continued

#### (b) Reconciliation of cash flow from operations with net surplus

	2020	2019
	\$	\$
Net surplus/(deficit) for the year	(50,764)	3,970
Non-cash flows total comprehensive income		
- Depreciation	1,859	4,003
- Interest on investment	(20,050)	(20,396)
Changes in assets and liabilities		
- (Increase)/decrease in trade and other receivables	(8,174)	7,977
- (Increase)/decrease in prepayments	(61)	(74)
- Increase/(decrease) AIRF deferred income	(23,784)	23,784
- Increase/(decrease) in trade and other payables	(42,859)	27,902
- Increase/(decrease) in AIDF deferred income	-	(6,113)
- Increase/(decrease) in employee benefits	8,008	(23,159)
Cashflow from operations	<u>(135,825)</u>	<u>17,894</u>



# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 8 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, term deposits, accounts receivable and payable.

The totals for each category of financial instruments as detailed in the accounting policies to these financial statements, are as follows:

		2020	2019
		\$	\$
Financial assets			
Cash at bank		682,777	806,497
Term deposits		600,000	600,000
Trade and other receivables	3	45,895	14,115
<b>Total financial assets</b>		<u>1,328,672</u>	<u>1,420,612</u>
Financial Liabilities			
Trade and other payables	5	19,171	38,425
<b>Total financial liabilities</b>		<u>19,171</u>	<u>38,425</u>

### 9 Key Management Personnel Disclosures

The totals of remuneration paid to the Board and key management personnel of Tasmanian Abalone Council Ltd during the year are as follows were \$138,154 (2019: \$157,924).

### 10 Related Party Transactions

Transactions between related parties are on nominal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year ended 30 June 2020 there were nil related party transactions that were not at arms length with the Company.

### 11 Commitments

The operating lease commitment represents the lease on office premises at 262 Argyle Street, Hobart. Tasmanian Abalone Council Ltd are currently renegotiating the lease term, therefore they currently have no leasing commitments. There are no other lease or capital commitments.

### 12 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding and obligations of the Company. At 30 June 2020 the number of members was 511 (2019: 511).

### 13 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets as at reporting date to be disclosed.

# Tasmanian Abalone Council Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 14 Events After the End of the Reporting Period

The Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world, including Australia, and the community where the Company operates. The scale, timing and duration of the potential impacts on the Company is unknown, as are any future mitigating factors. The Board continues to closely monitor the impacts of COVID-19 and will respond as appropriate.

There are no other subsequent events as at reporting date to be disclosed or adjusted for.

### 15 Economic Dependency

The continued operations of the Tasmanian Abalone Council Ltd are dependent upon the ongoing financial support of the levies charged and paid by the Department of Primary Industries, Parks, Water and Environment.

### 16 Company Details

The registered office and principal place of business of the Company is:

Tasmanian Abalone Council Ltd

262 Argyle Street

HOBART TAS 7000

## Tasmanian Abalone Council Ltd

### Auditors Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of the Tasmanian Abalone Council Ltd

I declare that, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct; in relation to our audit for the year ended 30 June 2020.



**Crowe Tasmania**



Alison Flakemore  
**Senior Partner**

Dated this 4th day of August 2020.  
Hobart, Tasmania.

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*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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# Tasmanian Abalone Council Ltd

## Independent Audit Report to the members of Tasmanian Abalone Council Ltd

### Opinion

We have audited the financial report of Tasmanian Abalone Council Ltd (the Company), which comprises the statement of financial position as at 30 June 2020 the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

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

### Basis for Opinion

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

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

### Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

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# Tasmanian Abalone Council Ltd

## Independent Audit Report to the members of Tasmanian Abalone Council Ltd

### Responsibilities of the Directors for the Financial Report

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

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

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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# Tasmanian Abalone Council Ltd

## Independent Audit Report to the members of Tasmanian Abalone Council Ltd

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

### Crowe Tasmania

Alison Flakemore  
**Senior Partner**

Dated this      day of                      2020.

Hobart, Tasmania.

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