AQUNA
Sustainable Murray Cod

Murray Cod Australia Ltd and Controlled Entities

ANNUAL REPORT 2021

Contents

Corporate Directory

Directors
Martin Priestley
Ross Anderson
Mathew Ryan
George Roger Commins
David Crow

Company Secretaries
Wendy Dillon
Brett Tucker

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Griffith NSW 2680 Australia
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Mail PO Box 492 Griffith NSW 2680

Solicitors
Allens, Level 37, QV1
250 St Georges Terrace Perth WA 6000

Bankers
Westpac Banking Corporation
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Auditors
PinnacleHPC Pty Ltd
135 Yambil St Griffith NSW 2680

Website
www.aquna.com

Our strategy during the COVID-19 pandemic was to grow sales and to limit financial risk. This resulted in a 168% increase in cash received from customers for the 2021 year.

Our round pen design will give greater efficiency and will enable increased production capacity from each unit.

About Murray Cod Australia

Based in the Riverina, New South Wales, Murray Cod Australia Limited (MCA) produces premium Murray cod. Our pioneering people have crafted a luxurious farmed Murray cod by improving on nature through science-based innovation. We have shaped a future for Australia's iconic native fish, which has an extraordinary history.

A vertically-integrated business, MCA grows high-quality Murray cod, in open farm units, on the Murray-Darling Basin river system – the fish's native environment. We believe these ideal conditions make our Murray cod the best-tasting on the market.

By using a land-based aquaculture model, MCA has one of the lowest environmental footprints in the industry. On January 2017, Murray Cod Australia Limited, was publicly listed on the Australian Securities Exchange (MCA: ASX).

— BRAND POSITIONING —

LIFE TASTES BETTER OUR WAY.

At Aquna Sustainable Murray Cod, we believe the best product comes from the best approach. We want to make an impact on people's plates and their wider lives by inspiring a better way to deliver the future of food production.

QUALITY

Our premium taste credentials are built on real substance

INNOVATION

Innovation at our core **'find a better way'**

INTEGRITY

People value a product with an authentic story

SUSTAINABILITY

Our story is built around our impact on planet Earth

Our **vision** is to make Aquna Sustainable Murray cod a profitable luxury food brand in Australia and around the world.

Our **mission** is to produce and sell 10,000 tonnes of Aquna Sustainable Murray cod by the year 2030 and to increase our margins by 25% over that period. This will be done through constant improvement in the application of our four principles of quality, integrity, sustainability and innovation.

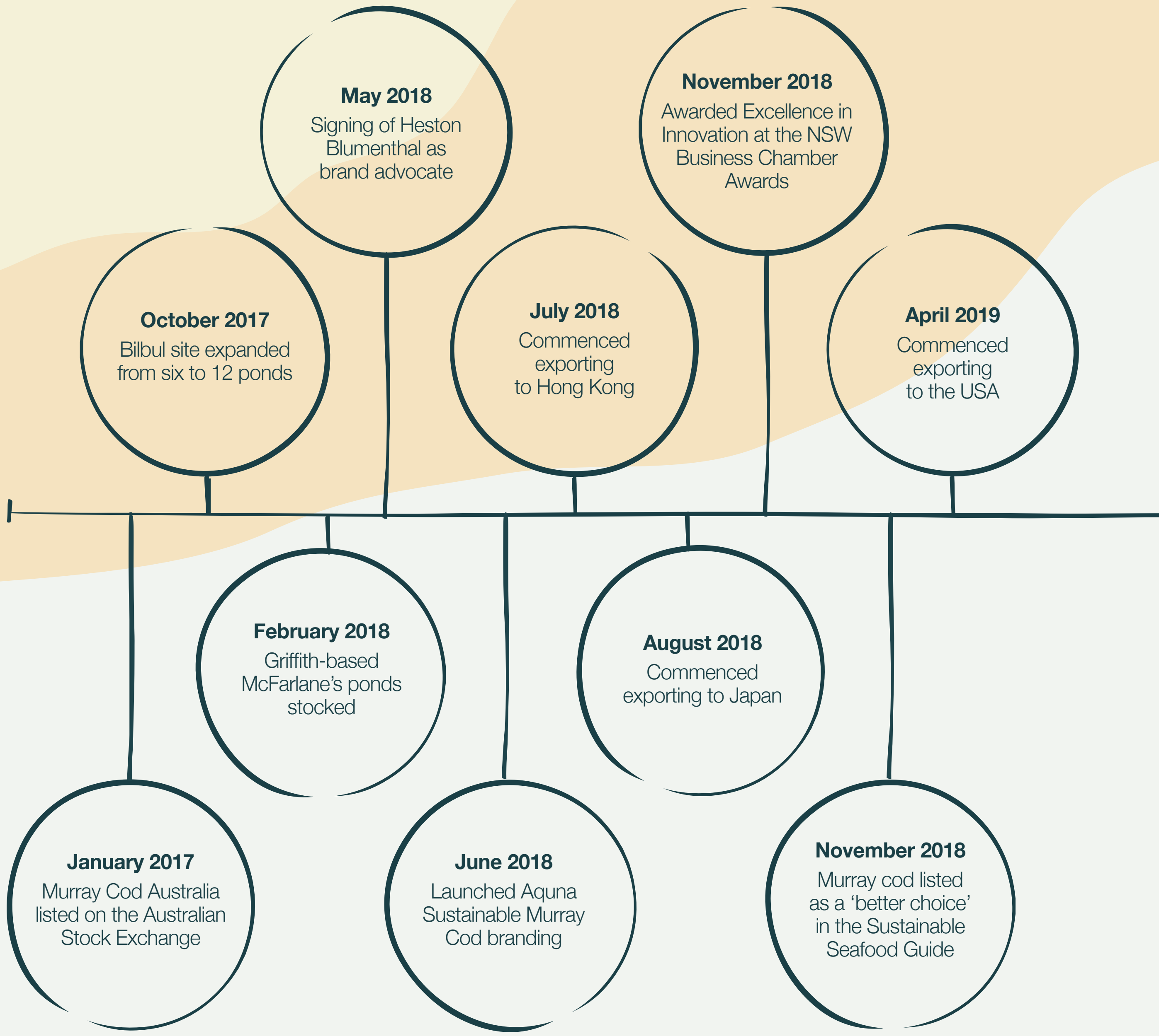
Our annual report

The (MCA) Annual Report provides a summary of our activities and performance for the financial year ended 30 June 2021. Year-on year, MCA seeks to continuously improve the way we communicate long-term value to our shareholders and other stakeholders.

Reporting framework

The 2021 Financial Report including the Directors Report and Remuneration Report on pages 1-67 has been prepared in accordance with the Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board and the Corporations Act 2001.

Our brand timeline



September 2019
Awarded Gold at the Sydney Royal Fine Food Show for Fresh and Hot Smoked Aquna Sustainable Murray Cod

September 2019
Griffith-based processing plant commissioned

October 2019
Griffith-based retail store opened

November 2019
Awarded NSW Business of the Year and Excellence in Sustainability at the NSW Business Chamber Awards

December 2019
Launched Aquna Hot Smoked Murray Cod

February 2020
Commenced exporting to the United Kingdom and Europe

April 2020
Purchase of second hatchery at Euberta, New South Wales

June 2020
Commenced selling live Aquna Sustainable Murray Cod domestically

October 2020
Stocked stage one of Whitton-based super-site

Chair's message

I am extremely proud to present the Murray Cod Australia Limited Annual Report for the 2021 financial year. This financial year was a year unlike any other for Murray Cod Australia. We delivered extraordinary results as we worked towards our 2030 Growth Strategy, amid the challenges caused by the COVID-19 pandemic.

On behalf of the entire Board of Directors, I want to extend my gratitude for the outstanding effort and perseverance shown by all of our employees, who demonstrate an unwavering commitment to making Aquna Sustainable Murray cod the fine-dining fish of choice in Australasia and around the globe.

As I write this report the pandemic lockdowns evident in Australia continue to present challenges for our business. However, I remain confident the company will maintain its progress towards the short and medium-term targets necessary to achieve our 2030 Growth Strategy.

In delivering the 2021 Financial Year results, MCA has continued a strong growth trajectory that reflects the increasing strength of our Aquna Sustainable Murray Cod brand. The Company's strong sales performance has enabled us to progress our aggressive expansion towards our 2030 target of 10,000 tonnes.

This year has seen many highlights for MCA. I have been particularly pleased with our clear focus on the domestic market. We have commenced development of a sales team in Australia for the first time and we are seeing some very positive results from this strategic move.

MCA welcomed Mr David Crow as a non-executive director in February. Mr Crow is a globally-experienced CEO and non-executive director, who brings over 30 years' experience in senior leadership to his role at MCA.

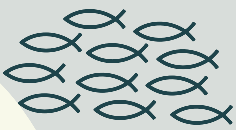
It was an honour for Aquna to receive Gold at both the 2021 Australian and New South Wales delicious, Harvey Norman Produce Awards. This highlights the dedication and quality of our production teams and it vindicates our strategy of positioning Aquna Sustainable Murray Cod as a rare, luxury food product, instead of a commodity.

Our first four years of operation have built foundations that now enable MCA to embark on an accelerated growth plan, for many years ahead. I encourage you to read our Annual Report, which provides details of MCA's annual activities, financial results, sustainability performance, and future plans.

Ross Anderson, Chairman

Gold medal winner
Delicious Produce Awards

Super Site stocked & stage 2
of construction commenced



Improved hatchery performance &
planned hatchery expansion underway

"

For every farmed Murray cod harvested from the MCA production farms, for consumption, the Murray-Darling Basin was restocked with 15 MCA fingerlings.

Board of Directors

Ross Anderson
Chairman

Ross Anderson is a chartered accountant with over 30 years' experience. Ross brings extensive commercial experience in dealing with agribusiness and capital markets to the MCA board. He is the Principal of Anderson's Chartered Accountants and Chairman of ClearPoint Capital Limited, a boutique fund manager specialising in alternative assets.

Mathew Ryan
Managing Director and Executive Director

Mathew Ryan has been instrumental in the growth of Murray Cod Australia. With over 21 years' experience in the aquaculture and agriculture industries, he was previously managing director of Bidgee Fresh and Riverina Aquaculture. Mathew holds a Bachelor of Rural Science degree and through a previous managing director role at Agrow Agronomy and Research, provided agronomic support services to agriculture clients and conducted significant research programs.

Martin Priestley
Non-executive Director

Martin Priestley has extensive capital markets experience having built businesses in commercial banking, real estate funds management, origination and principal investment. He is a former CEO of Ashe Morgan Winthrop, an independent corporate advisory and capital raising firm and Bamford Partners which focuses on corporate advisory, fund-raising, M&A and private equity. He currently heads up the APAC Commercial Real Estate Debt business for Nuveen Real Estate, which has interests in the Americas, Europe and APAC.

George 'Roger' Commins
Non-executive Director

Roger Commins has over 40 years' experience in the agricultural industry, including establishing and operating a diverse portfolio of enterprises. He is a director of Commins Enterprises, a company widely recognised as a regional innovator. Mr Commins is a founding owner and current director of Southern Cotton – a cotton gin based in southern NSW.

David Crow
Non-executive Director

David Crow is a globally-experienced CEO and non-executive director with over 30 years' experience in senior leadership. Non-executive director of Zhik Pty Ltd and former managing director, British American Tobacco Australasia and South and Southern Africa, David's career has been focused on marketing, consumer and corporate management roles in major FMCG companies across Asia, Africa and the Middle East.

Corporate Management Team

Ian Charles
Group Manager Hatcheries and Business Development

Ian Charles is an Australian aquaculture pioneer, who has over 25 years' experience in the breeding and grow out production of Australian finfish. He built and operated one of Australia's earliest and successful aquaculture farms. Ian has a deep understanding of fish production, sales and marketing and has worked as an aquaculture consultant on projects in Australia, China, Malaysia and Vietnam. Ian spent 15 years as president of the Silver Perch Growers Association and has represented aquaculture on several advisory boards.

Paul Van der Werf
Group Manager Planning, Strategic Development and Research & Development

Paul Van der Werf is an aquaculture engineer with an extensive commercial aquaculture project development portfolio. Paul has been involved with the aquaculture industry globally at all levels, from private to government advisory boards, for over 20 years. He specialises in engineering, financial and biometric planning of integrated aquaculture systems in extreme climates. Paul is the Founding President of the Aqua Association Inc., and the Research Coordinator for the Australian Aquatic Biological Pty Ltd.

Lynsey Reilly
Group Manager Marketing and Corporate Affairs

Lynsey Reilly has over 18 years' experience in corporate and internal communications, media, events, investor relations and public relations, in Australia and abroad. Prior to joining MCA, Lynsey ran a national, award-winning, full-service communications agency specialising in agriculture, as well as spending several years working in the mining industry in Africa. Lynsey is an Australian Institute of Company Directors graduate and has held previous board and advisory roles.

Wendy Dillon
Accounting, Taxation and Finance

Wendy Dillon has over 25 years' financial experience working across a large range of industries. A Chartered Accountant, Wendy is a senior associate at Anderson's Tax and Investment Services, where she is involved in a variety of advanced tax and accounting work. A Registered Tax Agent, Wendy is a Chartered Tax Adviser with the Taxation Institute and a Justice of the Peace.

2021 Managing Director's report

The 2021 year has thrown up some significant challenges for our sales team, however it has been pleasing to see sales growth into channels that were not originally planned.

Our live fish sales have bolstered our sales mix and has helped to smooth out some of the dips and troughs experienced from the constant lock downs and disruptions.

Sales have also been bolstered by the purchase of our Euberta Hatchery that has allowed us to service the native fish restocking market for both government and private customers.

This year, the MCA Board and Executive have focused on sharpening our strategic thinking and long-term growth planning. This has enabled us to concentrate on strategic investment to support our significant growth objectives.

Our 2030 Growth Strategy cements our primary growth objective of producing 10,000 tonnes annually by 2030. It has been particularly pleasing to see our Board and senior leaders come together to align on our Growth Strategy, and the significant progress that has already been made to execute the first stage.

We have made significant progress in prioritising the growth opportunities in 2021 as follows:

1 Maximise hatchery capacity via expansion at both facilities;

2. Finalise stage one of the Whitton-based ponds, and commenced the build of stage two; and

3. Diversifying our sales mix into the retail and grocery space to offset the covid related challenges for export sales.

In 2021, we maintained our intense focus on sustainability. MCA has launched several new environmental initiatives during 2021. I encourage you to read our Sustainability Report on page XVIII and XIX.

I am particularly proud of our annual restocking program. For every farmed Murray cod harvested from the MCA production farms, for consumption, the Murray-Darling Basin was restocked with 15 MCA fingerlings.

A major part of our sustainability program will be looking at our feed and ensuring we are using the best possible ration for our fish production from a fish health, growth and economic perspective.

We have developed a relationship with Hayashikane Sangyo - a Japanese-based feed supplier who we are currently working with to develop a feed that is environmentally sustainable and safe for our customers but also meets the needs of our business. We are currently trialling the first shipments of these diets in a commercial setting and look forward to continuing this relationship into the future.

As our Growth Strategy develops, so too does our team. It is critical we have a strong team and culture to support it. Our workforce has significantly increased this financial year. This year, we have elevated our commitment to creating a culture of diversity and inclusion, and an investment in our people and their capabilities.

In closing, I want to thank our Board of Directors, the MCA Leadership Team, our employees, and shareholders, who have all been instrumental in ensuring MCA thrived during an unprecedented year.

MRyan

Mathew Ryan, Managing Director

145% increase in Revenue despite a challenging year with COVID-19 lockdowns and restrictions constantly disrupting sales flow

Strengthening of relationship with Hayashikane Sangyo in Japan with first shipments of fish feed produced in Japan

Developed the MCA 2030 Growth Strategy

MCA is in a strong financial position as we move into our next growth phase

Renewed focus on sustainability

Business report

Strong financial performance

MCA's full year financial results were outstanding with total income (including increases in biological assets) increasing by 62% per cent over last year, to $15.1 million.

Average sale weight per Murray cod was 1.85 kilograms. It is pleasing to note that price per-fish has remained stable as our volumes have risen. All of our growth in the last year occurred in the domestic market.

Please refer to pages 1-67 for full financial report.

COVID-19 and export

COVID-19 continues to have an impact on our business. Export in FY21 was immaterial. Small and sporadic shipments have gone to the USA and we are looking to re-enter that market in FY22.

MCA has been asked to re-enter the Japanese market with small volumes by our Japanese distributor. This is, however, a fluid situation and if further lockdowns occur in Japan, it may not occur. The UK and European market re-entry is currently on hold due to additional COVID-19 lockdowns.

The Executive team continues to work on the MCA export strategy. We expect activities to resume in target countries as international markets re-open in food service and retail.

Domestic market development

MCA launched Aquna Sustainable Murray Cod as a premium branded product into the chilled seafood cabinet section of selected Woolworths stores in June 2021. The opportunity to access the distribution power of a major retailer is a significant step in development of the Aquna brand within Australia.

The launch, which is for an initial 12-week trial, is being carried out via 18 targeted stores in New South Wales. Upon successful completion of the trial, The Company is looking forward to a broader cross-section of the Australian community having convenient access to our iconic Australian produce, via the Woolworths distribution network.

MCA has executed a supplier agreement with PFD Food Services (PFD). PFD has over 70 branches across Australia. The agreement broadens our distribution immensely, particularly in regional areas where freight and logistics previously made it difficult to access our product. Distribution began in June 2021.

Bidfood has signed a supply agreement with MCA. This will further enhance the ability of food service businesses to access our products via their distribution power. Bidfood supply 38,000 food service operators each month with food, meat and liquor.

> The Company is looking forward to a broader cross-section of the Australian community having convenient access to our iconic Australian produce, via major Australian retailers.

Asset expansion

Construction of the first stage of eight units at the new Whitton site was completed during the March quarter and fish have been stocked into the site. MCA installed round pens at the site, which is a new initiative. Our round pen design will give greater efficiency and will enable increased production capacity from each unit.

Construction of stage two, which consists of another six units, is now underway. Construction is expected to be completed in spring so that stocking into pens can occur in the coming summer.

MCA's two hatcheries are both currently being expanded. We are adding 9 new larval rearing ponds, an additional bore, building expansion and further water supply mains to the Silverwater site.

At the Euberta site, MCA is adding 17 new larval rearing ponds, upgrading power and an additional bore. The upgrades to the two hatcheries will increase breeding capacity by 30 per cent. The hatchery upgrades are scheduled for completion in October 2021.

People

Over the last financial year, MCA increased our workforce by 67.5 per cent. Our people are key to delivering our objectives. Our aspiration is our employees build long-term, fulfilling careers at MCA.

We aim to create a diverse and inclusive environment and are proud our workforce represents an almost even gender balance. MCA is committed to investing in our dedicated people. Over the last year, we have supported numerous employees through education programs.

Hatchery performance

MCA had a record hatchery season, with 1.74 million fingerlings from the spawning, being stocked out into production dams and nursery systems. This is in line with our 2030 Growth Strategy of achieving 10,000 tonnes.

Through our restocking partnerships with state government programs, MCA has also produced and sold:

- 450,000 Murray cod larvae
- 1.59 million Murray cod fingerlings
- 478,000 silver perch
- 2.18 million golden perch

delicious. Harvey Norman PRODUCE AWARDS 2021 GOLD MEDALLIST

Winner, *delicious* Produce Awards

Aquna Sustainable Murray Cod has been selected as a national Gold Medallist in the From the Sea category at the 2021 delicious Harvey Norman Produce Awards. The delicious Produce Awards, now in its 16th year, unearth and champion Australia's best and most inventive primary produce and producers with an emphasis on provenance, seasonality and sustainable production methods.

As a 2021 State Winner, our team submitted our sustainably-farmed Murray cod for judging by a national panel — and are thrilled to have come away with the highest sought-after top honour.

Sustainability report

Building a sustainable future

At MCA, we apply science-based innovation and sustainable farming practices to food production. It helps us make a positive impact on people's plates – and the planet. Our sustainability vision is to set the sustainability benchmark globally for the aquaculture industry.

As a young business, we recognise we are at the early stages of this journey. We are pleased with the progress we have made to date, and have set a framework of three core objectives.

Sustainability framework

Environment
Making a difference to the environment through minimising our impact from farm to plate.

Social
Making a tangible contribution to our communities, in a way that aligns with our values. By increasing our number of employees and contractors each year in line with our growth, we are also increasing our positive impact on the economic and social fabric of our community.

Governance
MCA has adopted systems of control and accountability as the basis for the administration of corporate governance. As MCA grows rapidly over the next few years, our commitment to transparency and clear adherence to best practices in corporate governance will remain resolute and absolute. There is zero compromise in the Board's approach to stewardship in this regard. The Board continues to review the framework and practices to ensure they maintain the integrity of shareholders' interests.

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By using a land-based aquaculture model, MCA has one of the lowest environmental footprints in the industry.

Our performance

Restocking

For every farmed Murray cod harvested from the MCA production ponds, for consumption, the Murray-Darling Basin was restocked with 15 MCA fingerlings. Our restocking efforts aim to get the iconic species off the vulnerable species list.

Recycling organic waste

MCA recycled 100% of our organic waste this financial year. Various water quality parameters are monitored and when threshold levels are reached, there are trigger points set for when we pump out water from our ponds, and reuse this water for irrigation on farms to grow crops.

We also deliver all our organic solid waste to a local worm farm, where it's used for making compost.

Used motor oil and other waste oils

MCA has partnered with a local organisation to recycle 100 per cent of used motor oil, and other machinery oils that are used in our production facilities. Our used oil is cleaned and repurposed into other oil-based products such as bitumen-based products, mould oil, lubricants and transformer oil.

Recycling

In an effort to reduce plastic waste and increase our recycling rates, MCA has invested in a vertical compactor to allow us to compress all of our clean plastics and stack bales to be efficiently transported to nearby recycling facilities. Our plastics will be pelletised and moulded into other useful products. By 2030, MCA will be on track to recycle 419 tonnes of plastics that would have otherwise gone to landfill.

Community

MCA launched the Murray Cod Reel of Fortune competition, which is designed to promote positive fishing and community goodwill. Ten legal-sized, tagged Murray cod were released into the Murrumbidgee River between Wagga Wagga and Hay with a total prize pool of $30,000.

Corowa's Mark Williams snapped up the Goodwill fish, winning $5,000 personally and donating an additional $5,000 in prize money to OzFish Unlimited to provide vital homes and feeding grounds for native fish in Leeton, New South Wales.

People

At MCA, our focus is on building a strong team through varied and complementary skill sets, together with a diversity of experiences and perspectives. We recognise the value each of our people can bring to the team, and proactively encourage the contribution of new ideas to improve our processes and productivity. We believe this ultimately delivers enhanced results.

Total Revenue
Including Gain on Biological Assets

”

We want to make an impact on peoples’ plates and their wider lives by inspiring a better way to deliver the future of food production.

Operating and Financial Review

Principal Activities

The principal activities of the consolidated group during the financial year were:

- Breeding, growing and marketing of Aquna Sustainable Murray cod, a premium freshwater table fish;
- Breeding and selling Murray Cod, Golden Perch and Silver Perch as fingerlings for re-stocking.

All of our operations are conducted in Australia. At present they are all conducted within the Riverina region of NSW.

Significant Changes to Activities

There were no significant changes in the nature of the consolidated Group's principal activities during the financial year.

Our Business Model and Objectives

Providing superior returns to our shareholders is our primary objective. Our success in delivering this aim is determined by reference to total shareholder return (TSR) over time, and this is compared to the returns delivered by our competitors and the S&P/ASX 200 Index. We strive to continually improve the differential between returns on invested capital over the cost of that capital.

Operating Results

The Net Loss after tax for the year was $1,164,283 : (2020 was a profit of $61,690).

Review of Operations

Aquaculture

The Group operates two hatcheries, a nursery, and grow out farms in an integrated business that produces Murray cod, a premium white fleshed table fish. Our operational capacity increased significantly during the year through the addition of capacity in the grow out farms.

Overall, the financial results of the Group have been in line with expectations.

Financial Position

The net assets of the Group have decreased by $89,917 from $31,985,365 in 2020 to $31,895,448 in 2021. This has largely resulted from the following factors:

- Loss for the year of $1,164,283
- Revaluations of water rights and licences of $115,850; and
- Net proceeds from share issues raising and movement in Options Reserve, Performance Rights Reserve of $958,516.

The Directors believe the Group is in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the company during the financial year.

Valuation of Assets

During the year we instructed valuers to re-value our properties so that we could account for them in accordance with Australian Accounting Standard AASB 116. Unfortunately, the timing of various lockdowns and border closures associated with the COVID-19 pandemic meant they have been unable to attend our sites or complete their valuations. We continue to account for these properties at original cost in this report.

Events after the Reporting Period

There have been no significant events occurred since 30 June 2021 other than:

- Lockdowns due to the COVID-19 pandemic in Sydney and Melbourne occurring in July and August 2021 have impacted sales during this time. We expect our other initiatives will enable us to continue to meet our sales targets for the financial year ending 30 June 2022.

Future Developments, Prospects and Business Strategies

Current areas of strategic focus of the Group include the following:

- Drive operational efficiencies in all business units through the investment in upgraded technology and management systems:
- Invest in productive capacity so as to meet the strong latent export and domestic demand for our product;
- Continued roll out of Aquna Brand and investment in overseas marketing initiatives to build export markets.

Impact of COVID-19 and Uncertainty

During the year the COVID-19 pandemic had a significant impact on our business. Exports effectively ceased in March of 2020. We expect to begin exporting again in the 2nd quarter of 2021. Legislation introduced to combat the spread of the virus in various states and cities has affected our operations and our sales. We have altered our short-term sales strategy significantly and will need to continue to adapt rapidly as and when conditions change.

Business Risks

The following exposures to business risk may affect the group's ability to achieve the above prospects:

- Any biological product is subject to disease and other health issues. Whilst we currently have excellent biosecurity protocols and have had no major issues to deal with during the year, the possibility of unknown disease or environmental risks is always present. Our staff constantly monitor the health or our stock on a daily basis. But we remind members that owning and growing biological assets involves significant risk.
- A very high proportion of our sales are based in Australia at present. If the Australian economy suffers from a downturn then it is likely that our future sales could be adversely affected.
- As described above the future impact of COVID-19 pandemic is an immeasurable risk.

Environmental Issues

The Group's operations are subject to significant environmental regulation under the laws of the Commonwealth and State.

The Group is proud of its innovative operation which results in an extremely low impact on the environment. More information can be obtained from the Sustainability Statement included on page XVIII of this Annual Report.

Directors' Report

Your Directors present their report on the consolidated entity (referred to herein as the Group) consisting of Murray Cod Australia Limited and its controlled entities for the financial year ended 30 June 2021. The information in the preceding Operating and Financial Review forms part of the Directors Report for the financial year ended 30 June 2021 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were Directors of Murray Cod Australia Limited during or since the end of the financial year up to the date of this report:

- Ross James Anderson
- Mathew John Ryan
- George Roger Commins
- Martin Andrew Priestley
- David Stuart Crow

Particulars of each Director's experience and qualifications are set out later in this report.

Dividends Paid or Recommended

No dividends have been paid or declared during the year ended 30 June 2021.

Indemnifying Officers or Auditor

The Group indemnifies its past, present and future Directors against liabilities arising out of their position with the Group, except where the liability arises out of conduct involving a lack of good faith. The deed stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

The group has paid a premium in respect of a Directors' and Officers' insurance policy covering the liability of past, present or future Directors and Officers, including executive officers of the Group. The terms of the policy prohibit disclosure of the details of the amount of insurance cover and the premium paid. Accordingly, the Group relies on Section 300(9) of the Corporations Act 2001 to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the policy.

Proceedings on Behalf of the Group

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

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

Non-audit Services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor: and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to PinnacleHPC Pty Ltd for non-audit services provided during the year ended 30 June 2021:

	$
Taxation services	Nil
Due diligence investigations	Nil
	Nil

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 10 of the Financial Report.

Options

The following options over shares were issued to employees under the Group's Employee Securities Incentive Plan during the financial year and to the date of this report:

Grant Date	Date of expiry	Exercise price	Number under option
4/1/2021	3/01/2025	$ 0.25	14,000,000
11/2/2021	3/01/2025	$ 0.25	2,000,000
15/4/2021	3/01/2025	$ 0.25	2,000,000
14/5/2021	3/01/2025	$ 0.25	1,000,000
			19,000,000

At the date of this report, the unissued ordinary shares of Murray Cod Australia Limited under option are as follows:

Grant Date	Date of expiry	Exercise price		Number under option
16/01/2017	16/01/2022	$	0.075	81,325,000
18/8/2017	30/06/2023	$	0.150	300,000
18/8/2017	30/06/2025	$	0.20	400,000
28/11/2018	10/12/2021	$	0.125	2,000,000
4/1/2021	3/01/2025	$	0.25	14,000,000
11/2/2021	3/01/2025	$	0.25	1,500,000
15/4/2021	3/01/2025	$	0.25	2,000,000
14/5/2021	3/01/2025	$	0.25	1,000,000
				102,525,000

Option holders do not have any rights to participate in any issues of shares or other interests in the Group or any other entity.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

During the year ended 30 June 2021 4,592,544 ordinary shares of Murray Cod Australia Limited were issued on the exercise of options granted. 4,500,000 ordinary shares of Murray Cod Australia Limited have been issued since year end on the exercise of options granted.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share of any other body corporate.

ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191

The Group is an entity to which ASIC Corporations *(Rounding in Financial/Directors' Reports) Instrument 2016/191* applies but the Group has not elected to obtain the relief available under the instrument. Accordingly, amounts in the Directors' Report have been rounded to the nearest dollar.

Information Relating to Directors and Group Secretary

Ross James Anderson	- **Chairman**
Qualifications	- Chartered Accountant, BCom (with merit), CTA
Experience	- Over 30 years' as Chartered Accountant, over 20 years' as AFSL Holder, 6 years' as Director of MCA
Interest in Shares and Options	- 13,541,356 ordinary shares, 20,000,000 unlisted options and 15,000,000 performance rights
Directorships held in other listed entities during the three years prior to the current year	- Nil

Mathew John Ryan	- **Managing Director**
Qualifications	- BRurSc
Experience	- Over 21 years' experience in agricultural industry including 10 years' in aquaculture
Interest in Shares and Options	- 88,571,429 ordinary shares, 45,000,000 unlisted options
Directorships held in other listed entities during the three years prior to the current year	- Nil

George Roger Commins	- **Director**
Experience	- Over 40 years' in Agribusiness
Interest in Shares and Options	- 27,687,157 ordinary shares, 22,000,000 unlisted options
Directorships held in other listed entities during the three years prior to the current year	- Nil

Martin Andrew Priestley	- **Director**
Qualifications	- BSc (Hons)
Experience	- Over 30 years' experience in banking and finance
Interest in Shares and Options	- 4,000,000 ordinary shares, 6,000,000 unlisted options
Directorships held in other listed entities during the three years prior to the current year	- Nil

David Stuart Crow	- **Director**
Qualifications	- B.Ec, M.Comm, PCC
Experience	- Over 30 years' of international experience in FMCG (Fast Moving Consumer Goods)
Interest in Shares and Options	- 2,000,000 unlisted options
Directorships held in other listed entities during the three years prior to the current year	- Nil

Group Secretary

The following persons held the position of Group Secretary at the end of the financial year.

Brett Tucker CA. and Wendy Dillon CA.

Meetings of Directors

During the financial year, 7 meetings of Directors (including committees of directors) were held.

Attendance by each director during the year were as follows:

	DIRECTORS' MEETINGS		AUDIT COMMITTEE	
Directors	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ross James Anderson	5	5	2	2
Mathew John Ryan	5	5	2	2
George Roger Commins	5	5	2	2
Martin Andrew Priestley	5	5	2	2
David Stuart Crow	3	3	1	0

Remuneration Report

Remuneration Policy

The remuneration policy of Murray Cod Australia Limited has been designed to align Key Management Personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The board of Murray Cod Australia Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high-quality KMP to run and manage the consolidated group, as well as create goal congruence between directors, executives, and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated group is as follows:

- The remuneration policy is to be developed and approved by the Board after professional advice is sought from independent external consultants
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options, and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.
- Incentives paid in the form of options or rights are intended to align the interests of the directors and Group with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Board reviews KMP packages annually by reference to the consolidated group's performance, executive performance, and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed biannually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholder's value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, and options. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which up until 30 June 2021 was 9.5% and since 1 July 2021 has increased to 10% of the individual's average weekly ordinary time earnings (AWOTE). Some individuals, however, may chose to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement.

Any options issued under the Employee Share option Plan but not vested prior to the date of termination will lapse. All remuneration paid to KMP is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment, and responsibilities. The Board determines payments to the non- executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at an Annual General Meeting.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align director's interests with shareholders' interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is measured using the Black-Scholes methodology.

KMP or closely related parties of KMP are prohibited from entering hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration.

Engagement of Remuneration Consultants

During the financial year the Board requested Egan Associates (specialists in advising Corporates regarding governance and remuneration strategies) to provide market information on the level of Executive and Non-Executive Directors fees among organisations with comparable financial attributes to Murray Cod Australia Limited.

Performance-based Remuneration

The KPI's are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPI's target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPI's is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPI's achieved. Following the assessment, the KPI's are reviewed by the board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Murray Cod Australia Limited bases the assessment on audited figures, however, where the KPI involves comparison of the Group or a division within the Group to the market, independent reports will be obtained from organisations such as Standard & Poors.

Relationship Between Remuneration Policy and Group Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors, and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on KPI, and the second being the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests.

The following table shows the gross revenue, profits and dividends for the last four years for the Group, as well as the share price at the end of the respective financial years. The improvement in the Company's performance over the last four years has been reflected in the Company's share price increase. The board is of the opinion that these results can be attributed, in part, to the previously described remuneration policy and is satisfied with the overall upwards trend in shareholder wealth over the past four years.

Grant Date	2021 $	2020 $	2019 $	2018 $
Revenue (including Net gain from changes in fair value of biological assets)	$14,258,039	8,475,949	6,446,859	4,480,966
Net profit/(Loss)	(1,164,283)	61,690	(3,674,901)	(268,191)
Share price at year-end	$0.40	$0.125	$0.20	$0.072
Dividends Paid	-	-	-	-

Performance Conditions Linked to Remuneration

The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of revenue targets, return on equity ratios and continued employment with the Group. Incentive payments result where the Group returns operating production that meets the targets laid down in the options deed. The details of these options and performance rights hurdles can be found in the table of options and rights granted as shown below.

The performance related proportions of remuneration based on these targets are included in the following table. The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and provide a common interest between management and shareholders. There has been no alteration to the terms of the bonuses paid since grant date.

The satisfaction of the performance conditions is based on a review of the audited financial statements of the Group and publicly available market indices, as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with any other measures or factors external to the Group at this time.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based.

Group KMP	Position Held as at 30 June 2021 and any change during the year	Contract details (Duration & Termination)
Ross James Anderson	Chairman	No fixed term. 3-months notice
Mathew John Ryan	Managing Director	No fixed term. 3-months notice
George Roger Commins	Director	No fixed term. 3-months notice
Martin Andrew Priestley	Director	No fixed term. 3-months notice
David Stuart Crow	Director	No fixed term. 3-months notice

	PROPORTIONS OF ELEMENTS OF REMUNERATION RELATED TO PERFORMANCE (other than options issued)		PROPORTIONS OF ELEMENTS OF REMUNERATION NOT RELATED TO PERFORMANCE
Group KMP	Non-salary cash-based incentives %	Shares/ Units %	Fixed Salary/Fees %
Ross James Anderson	-	-	100%
Mathew John Ryan	-	-	100%
George Roger Commins	-	-	100%
Martin Andrew Priestley	-	-	100%
David Stuart Crow	-	-	100%

The employment terms and conditions of all KMP are formalised in contracts of employment.

Changes in Directors and Executives Subsequent to Year-end

There have been no changes to Directors or Executives since the end of the financial year.

Remuneration Expense Details for the Year Ended 30 June 2021

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards:

Table of Benefits and Payments for the Year Ended 30 June 2021

	SHORT-TERM BENEFITS				POST EMPLOYMENT BENEFITS	
2021	Salary, Fees and Leave Paid $	Profit Share and Bonuses $	Non-monetary $	Salary and Fees Accrued $	Superannuation $	Other $
Group KMP						
Ross James Anderson	32,500	-	-	73,333	-	-
Mathew John Ryan	175,000	-	-	-	16,625	-
George Roger Commins	30,000	-	-	-	238	-
Martin Andrew Priestley	30,000	-	-	-	-	-
David Stuart Crow	12,500	-	-	-	-	-
Total KMP	**280,000**	**-**	**-**	**73,333**	**16,863**	**-**

	LONG-TERM BENEFITS		EQUITY-SETTLED SHARE-BASED PAYMENTS				
2021	Incentive Plans $	LSL $	Shares/Units $	Options/Rights $	Cash-Settled Share-Based Payments $	Termination Benefits $	Total $
Group KMP							
Ross James Anderson	-	-	-	130,747	-	-	236,580
Mathew John Ryan	-	-	-	130,747	-	-	322,372
George Roger Commins	-	-	-	52,300	-	-	82,538
Martin Andrew Priestley	-	-	-	52,300	-	-	82,300
David Stuart Crow	-	-	-	145,780	-	-	158,280
Total KMP	**-**	**-**	**-**	**511,874**	**-**	**-**	**882,070**

Table of Benefits and Payments for the Year Ended 30 June 2020

	SHORT-TERM BENEFITS				POST EMPLOYMENT BENEFITS	
2020	Salary, Fees and Leave Paid $	Profit Share and Bonuses $	Non-monetary $	Other $	Superannuation $	Other $
Group KMP						
Ross James Anderson	60,000	-	-	-	5,700	-
Mathew John Ryan	150,000	-	-	-	14,250	-
George Roger Commins	30,000	-	-	-	2,850	-
Martin Andrew Priestley	30,000	-	-	-	-	-
David Stuart Crow	-	-	-	-	-	-
Total KMP	**270,000**	**-**	**-**	**-**	**22,800**	**-**

	LONG-TERM BENEFITS		EQUITY-SETTLED SHARE-BASED PAYMENTS				
2020	Incentive Plans $	LSL $	Shares/Units $	Options/Rights $	Cash-Settled Share-Based Payments $	Termination Benefits $	Total $
Group KMP							
Ross James Anderson	-	-	-	125,000	-	-	190,700
Mathew John Ryan	-	-	-	-	-	-	164,250
George Roger Commins	-	-	-	-	-	-	32,850
Martin Andrew Priestley	-	-	-	-	-	-	30,000
David Stuart Crow	-	-	-	-	-	-	-
Total KMP	**-**	**-**	**-**	**125,000**	**-**	**-**	**417,800**

Securities Received that are not Performance Related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package. All options were issued by Murray Cod Australia Limited and entitle the holder to one ordinary share in Murray Cod Australia Limited for each option exercised.

There have not been any alterations to the terms or conditions of any grants since grant date.

Options and Rights Granted as Remuneration

		BALANCE AT BEGINNING OF YEAR	GRANT DETAILS			EXERCISED	
		No.	Issued Date (Note 1f)	No. (Note 1f)	Value $ (Note 3)	No. (Note 2)	Value $
Group KMP							
Ross James Anderson	1a	15,000,000	04/01/2021	5,000,000	130,747	-	-
Ross James Anderson	1b	15,000,000	-	-	-	-	-
Mathew John Ryan	1c	40,000,000	04/01/2021	5,000,000	130,747	-	-
George Roger Commins	1d	20,000,000	04/01/2021	2,000,000	52,300	-	-
Martin Andrew Priestley	1e	4,000,000	04/01/2021	2,000,000	52,300	-	-
David Stuart Crow		-	15/04/2021	2,000,000	145,780	-	-
Total KMP		**94,000,000**		**16,000,000**	**511,874**	**-**	**-**

	LAPSED	BALANCE AT END OF YEAR	VESTED			UNVESTED
	No.	No.	Exercisable No.	Unexercisable No.	Total at End of Year No.	Total at End of Year No.
Group KMP						
Ross James Anderson	-	20,000,000	15,000,000	-	15,000,000	5,000,000
Ross James Anderson	-	15,000,000	15,000,000	-	15,000,000	-
Mathew John Ryan	-	45,000,000	40,000,000	-	40,000,000	5,000,000
George Roger Commins	-	22,000,000	20,000,000	-	20,000,000	2,000,000
Martin Andrew Priestley	-	6,000,000	4,000,000	-	4,000,000	2,000,000
David Stuart Crow	-	2,000,000	-	-	-	2,000,000
Total KMP	**-**	**110,000,000**	**94,000,000**	**-**	**94,000,000**	**16,000,000**

Note 1a The options were granted as a performance incentive for the successful initial public offering and acquisition of the aquaculture businesses as disclosed in prior year reports. The unlisted options issued have an exercise price of 7.5 cents each and expire on 16 January 2022. The options vested on 20th February 2019 when the vesting condition of production and sale of 100 tonnes of Murray cod was achieved.

Note 1b The performance rights were granted pursuant to the Bidgee Fresh Pty Ltd acquisition agreement as an incentive to develop the growth of the Group over the following 5 years. They are broken into three tranches of 5 million rights each. Vesting conditions are as follows: 5 million are vested upon production and sale of 50 tonnes of Murray cod within 3 years, 5 million rights vest upon production and sale of 100 tonnes within 4 years and the remaining 5 million rights vest upon production and sale of 150 tonnes of Murray cod within 5 years from the date of issue. 10,000,000 performance rights were vested on the 20th February 2019 when the production and sale of 100 tonnes of Murray cod was achieved. The final tranche were vested on the 25th February 2020 when the production and sale of 150 tonnes of Murray cod was achieved.

Note 1c 20,000,000 unlisted options were issued as partial consideration for the acquisition of Bidgee Fresh Pty Ltd to M & B Ryan Pty Ltd an entity associated with Mr Ryan. A further 20,000,000 unlisted options were issued as partial consideration for the acquisition of the business known as Riverina Acquaculture to M & B Ryan Pty Ltd, an entity associated with Mr Ryan. The options vested on 20th February 2019 when the vesting condition of production and sale of 100 tonnes of Murray cod was achieved.

Note 1d 20,000,000 unlisted options were issued as partial consideration for the acquisition of Bidgee Fresh Pty Ltd to Brigalow Enterprises Pty Ltd, an entity associated with Mr Commins. The options vested on 20th February 2019 when the vesting condition of production and sale of 100 Tonnes of Murray cod was achieved.

Note 1e 2,000,000 unlisted options were issued as incentive for future performance and have an exercise price of 7.5 cents each and expire on 16 January 2022, these options vested upon production and sale of 100 tonnes of Murray cod on 20th February 2019.

2,000,000 unlisted options were issued as incentive for future performance and have an exercise price of 12.5 cents each and expire on 10th December 2021. The options had no vesting condition when issued.

Note 1f 16,000,000 unlisted options were issued as incentive for future performance and have an exercise price of 25 cents each and expire on 3rd January 2025. At the 30th of June 2021 16,000,000 options are unvested. 4,000,000 options vest on 1st July 2021, 4,000,000 options vest on 1st July 2022, 4,000,000 options vest on 1st July 2023 and 4,000,000 options vest on 1st July 2024.

Note 2 All options exercised resulted in the issue of ordinary shares in Murray Cod Australia Limited on a 1: 1 basis. All persons exercising options paid the applicable exercise price.

Note 3 The fair value of options granted as remuneration as shown in the above table has been determined in accordance with Australia Accounting Standards and will be recognised as an expense over the relevant vesting period, to the extent that conditions necessary for vesting are satisfied.

Description of Options/Rights Issued as Remuneration

During 2021 16,000,000 unlisted options were issued as incentive for future performance and have an exercise price of 25 cents each and expire on 3rd January 2025. At the 30th of June 2021 the 16,000,000 options are unvested. 4,000,000 options vest on 1st July 2021, 4,000,000 options vest on 1st July 2022, 4,000,000 options vest on 1st July 2023 and 4,000,000 options vest on 1st July 2024.

Option values at grant date were determined using the Black-Scholes method.

Details relating to service and performance criteria required for vesting have been provided in the cash bonuses, performance-related bonuses and share-based payment table.

KMP Shareholdings

The number of ordinary shares in Murray Cod Australia Limited held by each KMP of the Group during the financial year is as follows:

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Charges during the Year	Balance at End of Year
Ross James Anderson	13,541,356	-	-	-	13,541,356
Mathew John Ryan	88,571,429	-	-	-	88,571,429
George Roger Commins	27,687,157	-	-	-	27,687,157
Martin Andrew Priestley	4,000,000	-	-	-	4,000,000
David Stuart Crow	-	-	-	-	-
Total KMP	**133,799,942**	**-**	**-**	**-**	**133,799,942**

Other Equity-Related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Loans to KMP

No loans have been made to any KMP during the course of the year and no loans are outstanding from any KMP.

Other Transactions with KMP and/or their Related Parties

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Ross James Anderson

Dated: 30th August 2021

Auditor's Independence Declaration

PinnacleHPC Pty Ltd
ABN 15 866 782 108

MURRAY COD AUSTRALIA LIMITED AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF

MURRAY COD AUSTRALIA LIMITED

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Murray Cod Australia Limited. I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

J Keenan

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J.P. Keenan FCPA
Registered Company Auditor 156228
135 Yambil Street Griffith NSW 2680
Dated this 30th day of August 2021

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

	Note	CONSOLIDATED GROUP 2021 $	2020 $
CONTINUING OPERATIONS			
Revenue	3	9,718,706	3,961,464
Other income	3	885,822	882,686
Net gain from changes in fair value of biological assets	11	4,539,333	4,514,485
Employee benefits expense		(3,574,452)	(2,126,353)
Depreciation and amortisation expense	4	(1,097,280)	(791,196)
Cost of Sales – equipment	4	(33,205)	(21,114)
Cost of Sales – fish	4	(6,860,745)	(2,894,336)
Cost of Sales – processing plant	4	(22,548)	6,656
Cost of Sales – cattle	4	-	(15,763)
Administrative and other expenses		(1,190,175)	(993,751)
Fish farm operating expenses		(3,030,763)	(1,945,238)
Share based payment expense	4,25	(687,630)	(295,353)
Net Profit (Loss) before income tax		(1,352,937)	282,187
Tax expense	5	188,654	(220,497)
Net Profit/(Loss) from continuing operations		(1,164,283)	61,690
Discontinued operations		-	-
Net Profit/(Loss) for the year after tax		**(1,164,283)**	**61,690**
Other comprehensive income:			
Total other comprehensive income for the year		-	-
Total Profit/(Loss) and other comprehensive income		**(1,164,283)**	**61,690**
Earnings per share			
From continuing and discontinued operations:			
Basic earnings/(loss) per share (cents)	8	(0.206)	0.012
Diluted earnings/(loss) per share (cents)	8	(0.171)	0.010
From continuing operations:			
Basic earnings/(loss) per share (cents)	8	(0.206)	0.012
Diluted earnings/(loss) per share (cents)	8	(0.171)	0.010
From discontinued operations:			
Basic earnings/(loss) per share (cents)	8	-	-

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2021

	Note	CONSOLIDATED GROUP 2021 $	2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	3,468,432	6,081,964
Trade and other receivables	10	526,912	906,602
Inventories	11	15,486,926	12,483,171
Other assets	16	676,473	265,904
Total Current Assets		20,158,743	19,737,641
Non-Current Assets			
Other financial assets	12	95	87
Property, plant and equipment	14	11,140,041	9,847,111
Deferred tax assets	20	775,601	566,345
Right of use assets	17	3,776,515	1,828,113
Intangible assets	15	4,760,267	4,627,080
Total Non-Current Assets		20,452,519	16,868,736
Total Assets		40,611,262	36,606,377
LIABILITIES			
Current Liabilities			
Trade and other payables	18	1,217,794	695,540
Borrowings	19	573,219	325,658
Lease liabilities		231,629	145,949
Provisions	21	307,935	192,222
Total Current Liabilities		2,330,577	1,359,369
Non-Current Liabilities			
Borrowings	19	2,213,178	1,001,574
Lease liabilities		3,643,538	1,752,150
Deferred tax liabilities	20	528,521	507,919
Total Non-Current Liabilities		6,385,237	3,261,643
Total Liabilities		8,715,814	4,621,012
Net Assets		31,895,448	31,985,365
Equity			
Issued capital	22	37,878,336	37,410,131
Reserves	30	5,274,006	4,667,845
Retained earnings		(11,256,894)	(10,092,611)
Total Equity		31,895,448	31,985,365

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

	Note	SHARE CAPITAL				
	Note	Ordinary $	Redeemable Preferred $	Deferred Ordinary Shares $	Retained Earnings	Capital Profits Reserve $
Consolidated Group						
Balance at 1 July 2019		22,325,588	-	-	(10,109,683)	-
Cumulative adjustment upon change in accounting policy (AASB 16)		-	-	-	(44,618)	-
Balance at 1 July 2019 (restated)		22,325,588	-	-	(10,154,301)	-
Comprehensive Income						
Profit for the year		-	-	-	61,690	-
Total comprehensive income for the year		-	-	-	61,690	-
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the year		15,500,000	-	-	-	-
Transactions costs		(415,457)	-	-	-	-
Options and Performance Rights Vested during the year		-	-	-	-	-
Options exercised or lapsed during the year		-	-	-	-	-
Options issued during the year		-	-	-	-	-
Total transactions with owners and other transfers		15,084,543	-	-	-	-
Other						
Transfers to Reserves		-	-	-	-	-
Total Other		-	-	-	-	-
Balance at 30 June 2020		37,410,131	-	-	(10,092,611)	-
Balance at 1 July 2020		37,410,131	-	-	(10,092,611)	-
Comprehensive Income						
Profit/(Loss) for the year		-	-	-	(1,164,283)	-
Total comprehensive income for the year		-	-	-	(1,164,283)	-
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the year		476,964	-	-	-	-
Transaction costs		(8,759)	-	-	-	-
Options and Performance Rights Vested during the year		-	-	-	-	-
Options exercised or lapsed during the year		-	-	-	-	-
Options issued during the year		-	-	-	-	-
Total transactions with owners and other transfers		468,205	-	-	-	-
Other						
Transfer to Reserves		-	-	-	-	-
Total Other		-	-	-	-	-
Balance at 30 June 2021		37,878,336	-	-	(11,256,894)	-

The accompanying notes form part of these financial statements.

RESERVES									
					Performance Share Based				
Revaluation Surplus $	Asset Revaluation Reserve $	Foreign Currency Translation Reserve $	General Reserve $	Option Reserve $	Rights Reserve $	Payment Reserve $	Subtotal $	Non-controlling Interests $	Total $
-	569,250	-	-	3,211,901	625,000	-	16,622,056	-	16,622,056
-	-	-	-	-	-	-	(44,618)	-	(44,618)
-	569,250	-	-	3,211,901	625,000	-	16,577,438	-	16,577,438
-	-	-	-	-	-	-	61,690	-	61,690
-	-	-	-	-	-	-	61,690	-	61,690
-	-	-	-	-	-	-	15,500,000	-	15,500,000
-	-	-	-	-	-	-	(415,457)	-	(415,457)
-	-	-	-	130,125	125,000	-	255,125	-	255,125
-	-	-	-	(7,131)	-	-	(7,131)	-	(7,131)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	122,994	125,000	-	15,332,537	-	15,332,537
-	13,700	-	-	-	-	-	13,700	-	13,700
-	13,700	-	-	-	-	-	13,700	-	13,700
-	582,950	-	-	3,334,895	750,000	-	31,985,365	-	31,985,365
	582,950			3,334,895	750,000		31,985,365		31,985,365
-	-	-	-	-	-	-	(1,164,283)	-	(1,164,283)
-	-	-	-	-	-	-	(1,164,283)	-	(1,164,283)
-	-	-	-	-	-	-	476,964	-	476,964
-	-	-	-	-	-	-	(8,759)	-	(8,759)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	(150,089)	-	-	(150,089)	-	(150,089)
-	-	-	-	640,400	-	-	640,400	-	640,400
-	-	-	-	490,311	-	-	958,516	-	958,516
-	115,850	-	-	-	-	-	115,850	-	115,850
-	115,850	-	-	-	-	-	115,850	-	115,850
-	698,800	-	-	3,825,206	750,000	-	31,895,448	-	31,895,448

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	CONSOLIDATED GROUP 2021 $	2020 $
Cash Flows from Operating Activities			
Receipts from customers		10,195,793	3,811,414
Interest received		1,067	4,769
Payments to suppliers and employees		(12,206,750)	(8,028,902)
Income tax refunded		1,874	-
Net cash (used in)/generated by operating activities	24a	(2,008,016)	(4,212,719)
Cash Flows from Investing Activities			
Purchase of trademarks		(17,337)	(14,113)
Purchase of property, plant and equipment		(2,404,871)	(3,433,565)
Disposal of property, plant and equipment		231,290	-
Purchase of financial assets		(9)	(27)
Purchase of intellectual property		-	(12,000)
Purchase of intangible assets		-	(1,200,000)
Purchase of subsidiary		-	(2,500,000)
Net cash (used in)/generated by investing activities		(2,190,927)	(7,159,705)
Cash Flows from Financing Activities			
Proceeds from issue of shares and exercise of options		326,875	15,000,000
Proceeds from borrowings – other		1,784,341	223,274
Capital costs on issue of share capital		(8,759)	(415,457)
Repayment of borrowings – other		(348,665)	(211,463)
Repayment of lease liabilities		(191,870)	(136,652)
Net cash provided by (used in) financing activities		1,561,922	14,459,702
Net increase/(decrease) in cash held		(2,637,021)	3,087,278
Cash and cash equivalents at beginning of financial year		6,071,597	2,984,319
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at end of financial year	9	3,434,576	6,071,597

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

These consolidated financial statements and notes represent those of Murray Cod Australia Limited and Controlled Entities (the "consolidated group" or "group"). The separate financial statements of the parent entity, Murray Cod Australia Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on the 30th August 2021 by the directors of the Group.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial liabilities.

(a) Principles of Consolidation

The Consolidated financial statements incorporate all assets, liabilities, and results of Murray Cod Australia Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 13.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-Group transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting polices of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non–controlling interests proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of good will or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred at fair value;
(ii) any non-controlling interest (determined under either fair value or proportionate interest method); and
(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified /permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139: Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

(b) Income Tax

The income Tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:(a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set–off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

To the extent that uncertainty exists as it relates to the acceptability by a taxing authority of the company's tax treatments, the company estimates the probability of acceptance by the taxing authority and, where acceptance is not probable, recognises the expected value of the uncertainty in either income tax expense or other comprehensive income, as appropriate.

(c) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable, and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Inventories

All inventories are measured at the lower of cost and net realisable value unless they are Biological Assets. Refer to Note 1(e) regarding the measurement and valuation of Biological Assets.

(e) Biological Assets

Biological Assets comprise Murray Cod live fish. Biological assets are measured at their fair value less costs to sell in accordance with AASB141 Agriculture, with any changes to fair value recognised immediately in the statement of profit or loss and other comprehensive income. Fair value of a biological asset is based on its present location and condition, if an active or other effective market exists for the biological asset or agricultural asset. If an active market does not exist, then we use one of the following when available in determining fair value:

- the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the end of the reporting period; or
- market prices, in markets accessible to the entity, for similar assets with adjustments to reflect differences; or
- sector benchmarks

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less accumulated impairment losses and accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

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

Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(l) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by Directors to ensure is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

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 Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5-5%
Plant and equipment	5-33.33%
Leased plant and equipment	5-33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(g) Exploration and Development Expenditure

Exploration, evaluation, and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activated in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitlise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements, and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Investment Property

Whilst the Group does not currently hold any investment properties our policy is as follows. Any investment property is initially measured at cost and subsequently measured at fair value.

Fair value of investment properties is determined annually based on a valuation by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment properties are recognised in profit or loss in the period in which they occur.

(i) Leases (the group as lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease payment, a right-of-use asset and a corresponding lease liability is recognised by the Group where there the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12-months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options if lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(j) Non-Current Assets Held For Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale and generally measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash-generating units), that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

(k) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity Instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled, or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Derivative Financial Instruments

The Group enter into various derivative financial instruments (i.e. foreign exchange forward contracts and interest rate swaps) to manage its exposure to interest rate and foreign exchange rate risks.

Derivative financial instruments are initially and subsequently measured at fair value. All gains and losses subsequent to the initial recognition are recognised in profit or loss.

The Group currently does not hold any derivatives.

Hedge Accounting

At the inception of a hedge relationship, the Group identifies the appropriate risks to be managed by documenting the relationship between the hedging instrument and the hedged item, along with risk management objectives and the strategy for undertaking various hedge transactions.

The Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. That is, whether the hedging relationships meet all of the following hedge effective requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedged ratio of the hedging relationship is the same at that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group uses to hedge the quantity of hedged item.

When the hedging relationship ceases to meet the hedging ratio requirement, the Group rebalances the hedge so that it meets the qualifying criteria again.

Discontinuation of hedge is not voluntary and is only permitted if:

- the risk management objective has changed;
- there is no longer an economic relationship between the hedged item and the hedging instrument; or
- the credit risk is dominating the hedge relationship.

Qualifying items

Each eligible hedged item must be reliably measurable and will only be designated as a hedge item if it is made with a party which is not part of the Group and is from one of the following categories:

- a recognised asset or liability (financial or non-financial);
- an unrecognised firm commitment (binding agreement with specified quantity, price, and dates); or
- a highly probable forecast transaction.

Fair value hedges

At each reporting date, except when the hedging instrument hedges an equity instrument designated as at the fair value through other comprehensive income, the carrying amount of the qualifying hedge instruments will be adjusted for the fair value change and the attributable change is recognised in profit and loss, at the same line as the hedged item.

When the hedged item is an equity instrument designated as at fair value through other comprehensive income, the hedging gain or loss remains in other comprehensive income to match the hedging instrument.

Cash flow hedges

The effective portion of the changes in fair value of the hedging instrument is not recognised directly in profit and loss, but to the extent the hedging relationship is effective, it is recognised in other comprehensive income and accumulated under the heading Cash Flow Hedging Reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion (balancing figure) is recognised immediately in profit or loss.

Hedge accounting on cash flow hedge instruments is discontinued prospectively when the hedge relationship no longer meets the qualifying criteria. Amounts recognised in the cash flow hedging reserve that are related to the discontinued hedging instrument will immediately be reclassified to profit or loss.

The group currently does not carry out any hedging.

Preference Shares

Preferred share capital is classified as equity if it is non-redeemable or redeemable only at the discretion of the parent Company, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the Directors. Preferred share capital is classified as a liability if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

The Group currently does not have any Preference Shares.

Compound Financial Instruments

Compound instruments (convertible preference shares) issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the arrangements. An option that is convertible and that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments will be classified as equity.

The fair value of the liability component is estimated on date of issue. This is done by using the prevailing market interest rate of the same kind of instrument. This amount is recognised using the effective interest method as a liability at amortised cost until conversion or the end of life of the instrument.

The equity portion is calculated by deducting the liability amount from the fair value of the instrument as a whole. The equity portion is not remeasured after initial recognition. Equity will remain as such until the option is exercised. When the option is exercised a corresponding amount will be transferred to share capital. If the option lapses without the option being exercised the balance in equity will be recognised in profit or loss.

Costs of the transaction of the issue of convertible instruments are proportionally allocated to the equity and liability. Transaction costs in regards to the liability are included in the carrying amount of the liability and are amortised over its life using the effective interest method. Transaction cost in equity is directly recognised in equity.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from contracts with customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e., diversity of customer base, appropriate groupings of historical loss experience, etc.).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Group measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation: and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is not considered to carry low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; or
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(l) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in AASB 116: Property, Plant, and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(m) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss and other comprehensive income is included in the financial statements.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it had incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of losses not recognised.

The requirements of AASB 128: Investments in Associates and joint Ventures and AASB 9: Financial Instruments are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136: Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

(n) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 1(m) for a description of the equity method of accounting.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in assets, liabilities, revenue, and expenses of joint operations are included in the respective line items of the financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(o) Intangible Assets Other than Goodwill

Trademarks and Licenses

Patents and trademarks are recognised at cost of acquisition

Water Rights and Licenses

Water rights and licenses held by the Group are classified as intangible assets. There is a sophisticated and well-regulated market network which provides daily prices of the permanent licenses and annual allocations. The Group revalues the water licenses each half year in accordance with he is prevailing market prices at balance date. Refer to Note 15.

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably. Capitalised development costs have finite useful life and are amortised in a systematic basis based on the future economic benefits over the useful life of a project.

(p) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of the Group is the currency of the primary economic environment in which the Group operates. The financial statements are presented in Australian dollars, which is the Group's functional currency.

Transaction and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of the non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

The Group

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expense are translated at exchange rates on the date of transaction: and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss on the period in which the operation is disposed of.

(q) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12-months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position if there is an amount outstanding at balance date. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provisions is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12-months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the group does not have an unconditional right to defer settlement for at least 12-months after the end of the reporting period, in which cases the obligations are presented as current provisions.

Termination Benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of:

- the date when the Group can no longer withdraw the offer for termination benefits; and
- when the Group recognises costs for reconstructing pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12-months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-Settled Compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amounts are recognised in the option reserve and statement of profit and loss respectively. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Share-Based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting period is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as they were a modification.

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(s) Provision for Warranties

Provision is made in respect of the Group's best estimate of the liability on all products and services under warranty at the end of the reporting period. The provision is measured at the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the consolidated group's history of warranty claims.

(t) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12-months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

(u) Revenue and Other Income

Revenue Recognition

Current Revenue generated by the Group is categorised into the following:

- *Revenue*
  - Fish sales, sales of Murray cod
  - Equipment sales, sales of aquaculture equipment to grow Murray cod
  - Net value of changes in fair value of biological assets
  - Cattle sales and sundry income.

Sales of Fish and Aquaculture Equipment

The Group grows and sells Murray cod and aquaculture equipment. Revenue is recognised when control of the products has transferred to the customer. For such transactions, this is when the products are delivered to the customers. Revenue from these sales is based on the price agreed at the time of sale. Revenue is then only recognised to the extent that there is a high probability that a significant reversal of revenue will not occur.

A receivable is recognised when the goods are delivered. The Group's right to consideration is deemed unconditional at this time, as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made within a credit term of 7 to 30-days.

Customers have a right to return aquaculture equipment if unsatisfactory. This type of equipment being extremely specific to the industry is only ever likely to be returned by a customer if a part of the equipment is faulty. The Group policy is to replace the faulty part not refund the sales income. A refund liability is not recognised as it is highly unlikely to occur.

Murray cod fish sales cannot be returned due to the nature of the product. If a customer is unhappy with the quality of the product this is notified to the Group immediately and the sale and receivable in this regard is not recognised.

Interest income is recognised using the effective interest method.

(v) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30-days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(w) Borrowing Costs

Borrowing costs directly attribute to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use of sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(x) 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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(y) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(z) Comparative Figures

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement, or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(aa) Rounding of Amounts

The Group has not applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, amounts in the financial statements have been rounded to the nearest $1.

(ab) New and Amended Accounting Policies Adopted by the Group

Initial adoption of AASB 2020-04: COVID-19 - Related Rent Concessions

AASB 2020-4: Amendments to Australian Accounting Standards - COVID-19 -Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lesees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards - Definition of a Business

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ac) Critical Accounting Estimates and Judgements

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

Key Estimates and Judgements

(i) Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(ii) Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

(iii) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgment, the level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory.

(iv) Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date: Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3:unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

(v) Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(vi) Impairment or revaluation of Water Rights and licenses

The consolidated entity assesses the impairment or revaluation of water rights and licenses at each reporting date. Water rights and licenses held by the Group are classified as intangible assets. There is a sophisticated and well-regulated market network which provides daily prices of the permanent licenses and annual allocations. The Group revalues the water licences each half-year in accordance with the prevailing market prices at balance date. Minimal Directors estimates and judgements are required due to the sophisticated and well-regulated market network providing regular observable and reliable market values of water rights and licences.

(vii) Valuation of Biological Assets

Directors make significant judgements and estimates in regards to valuing Biological Assets. Refer to Note 1 (e) and Note 29 for further detail on Biological Assets valuations.

(viii) Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. All other expenditure is expensed.

(ix) Impairment of Goodwill

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of goodwill at the end of the reporting period.

(x) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the entity will make. The Group determines the likeliness to exercise on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

Note 2 Parent Information

The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards.

	2021 $	2020 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	20,519,520	20,093,159
Non-current Assets	20,076,270	16,368,260
Total Assets	40,595,790	36,461,419
LIABILITIES		
Current Liabilities	2,344,462	1,359,364
Non-current Liabilities	6,134,415	2,981,605
Total Liabilities	8,478,877	4,340,969
EQUITY		
Issued Capital	39,208,345	38,740,141
Retained Earnings	(12,365,438)	(11,287,536)
Asset Revaluation Reserve	698,800	582,950
Option Reserve	3,825,206	3,334,895
Performance Rights Reserve	750,000	750,000
Total Equity	32,116,913	32,120,450
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net Profit/(Loss) for the year after tax	(1,077,901)	(36,791)
Total Profit/Loss and other comprehensive income	(1,077,901)	(36,791)

Guarantees

During the reporting period, Murray Cod Australia Limited did not enter into a deed of cross guarantee with either of its subsidiaries Bidgee Fresh Pty Ltd or Murray Darling Fisheries Pty Ltd.

Contingent liabilities

At 30 June 2021 Murray Cod Australia Limited was not responsible for any Associates Contingent Liabilities as there was nil.

Contractual commitments

At 30 June 2021 Murray Cod Australia Limited was not responsible for any contractual commitments for any associates.

Note 3 Revenue and Other Income

The Group has recognised the following amounts relating to revenue in the statement of profit and loss.

Revenue from continued operations	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
Sales Revenue			
• Fish sales		9,094,294	3,827,651
• Cattle sales		-	32,175
• Equipment sales		6,360	22,165
		9,100,654	3,881,991

The group has disaggregated revenue into product sales. There is no other means of disaggregating revenue. All products are sold at a point in time not over time.

The application of AASB 15: Revenue from contracts with customers has not had any major impact on the revenue disclosures as the Group has only two revenue sources and all revenue is generated at a point in time. The sales currently from overseas is minimal not warranting revenue to be disaggregated by geographical markets.

		2021 $	2020 $
Other Revenue			
• Interest received		1,068	4,751
• Dividend income		4	3
• Insurance proceeds		508,522	-
• Sundry income		108,458	74,719
Total Revenue		9,718,706	3,961,464
Other Income			
• Subsidies and rebates		392,259	354,444
• Research and development tax incentive		493,563	528,242
Total other income		885,822	882,686
Total Revenue and other income		10,604,528	4,844,150

There are no performance obligations that are unsatisfied (partially unsatisfied) at the reporting date.

Note 4 Profit for the Year

Profit before income tax from continuing operations includes the following specific expenses:

	Note	Consolidated Group 2021 $	2020 $
(a) Expenses			
Cost of sales			
• Cost of sales - fish		6,860,745	2,894,336
• Cost of sales - aquaculture equipment		33,205	21,114
• Cost of sales - cattle		-	15,763
• Cost of sales - processing plant		22,548	(6,656)
		6,916,498	2,924,557
Loss allowance on financial assets and other items			
• Loss allowance on trade receivables		10,948	15,419
Interest expenses on financial liabilities			
• related parties		-	3,699
• unrelated parties		135,905	99,268
Total finance cost		135,905	102,967
Depreciation		1,097,280	791,196
Superannuation		257,623	166,453
Share Based Payment		687,630	295,353

Note part of employee benefits expenses, veterinary and depreciation are expenses incurred in Research and Development but are not listed separately as Research and Development.

Note 5 Tax Expense

		Note	Consolidated Group 2021 $	Consolidated Group 2020 $
(a)	The components of tax expense (income) comprise:			
	Current tax		-	-
	Deferred tax	20	(188,654)	220,497
	Recoupment of prior year tax losses		-	-
	Under provision in respect of prior years		-	-
			(188,654)	220,497
(b)	The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
	Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)			
	• consolidated group		(351,763)	77,601
	Add:			
	Tax effect of:			
	• non-deductible depreciation and amortisation		-	-
	• non-allowable items		210,667	388,852
	• right of use asset depreciation and interest		86,471	66,256
	• share options expensed during year		166,504	-
	• decrease in corporate tax rate		3,187	-
			115,066	532,709
	Less:			
	Tax effect of:			
	• deductible expenses capitalised on balance sheet or not claimed in prior year		84,364	89,231
	• deductible lease expenses		78,707	59,280
	• taxation depreciation exceeding accounting depreciation		-	-
	• non-assessable income		140,582	163,701
	Adjustment of prior year tax losses not previously brought to account		67	-
	Income tax attributable to entity		(188,654)	220,497
	The weighted average effective tax rates are as follows: The decrease in the weighted average effective consolidated tax rate for 2021 is a result of a loss in 2021 compared to 2020.		(13.94%)	78.1%

Note 6 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2021.

The total of remuneration paid to KMP of the Company and the Group during the year are as follows:

	2021 $	2020 $
Short-term employee benefits	353,333	270,000
Post-employment benefits	16,863	22,800
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	511,874	125,000
Total KMP compensation	882,070	417,800

Short-term employee benefits

- these amounts include fees and benefits paid to the executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel

Post-employment benefits

- These amounts are the current year's costs of providing for the Group's superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

- these amounts represent long service leave benefits accruing during the year, long term disability benefits, and deferred bonus payments.

Share-based payments

- these amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

Note 7 Auditor's Remuneration

	Consolidated Group	
	2021 $	2020 $
Remuneration of the auditor for:		
• auditing or reviewing the financial statements	37,000	37,000
• taxation services	-	-
• due diligence services	-	-
• other taxation services	-	-
	37,000	37,000

Note 8 Earnings per Share

		Consolidated Group	
		2021 $	2020 $
(a)	Reconciliation of earnings to profit or loss		
	Profit/(Loss)	(1,164,283)	61,690
	Profit attributable to non-controlling equity interest	-	-
	Redeemable and convertible preference share dividends	-	-
	Earnings used to calculate basic EPS	(1,164,283)	61,690
	Dividends on convertible preference shares	-	-
	Earnings used in the calculation of dilutive EPS	(1,164,283)	61,690
(b)	Reconciliation of earnings to profit or loss from continuing operations		
	Profit/(Loss) from continuing operations	(1,164,283)	61,690
	Profit attributable to non-controlling equity interest in respect of continuing operations	-	-
	Redeemable and convertible preference share dividends	-	-
	Earnings used to calculate basic EPS from continuing operations	(1,164,283)	61,690
	Dividends on convertible preference shares	-	-
	Earnings used in the calculation of dilutive EPS from continuing operations	(1,164,283)	61,690
(c)	Reconciliation of earnings to profit or loss from discontinued operations		
	Profit from discontinued operations	-	-
	Profit attributable to non-controlling equity interest	-	-
	Earnings used to calculated basic EPS from discontinued operations	-	-
		No.	No.
(d)	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	565,067,720	512,427,538
	Weighted average number of dilutive options outstanding	99,574,634	92,682,513
	Weighted average number of dilutive performance rights outstanding	15,000,000	15,000,000
	Weighted average number of dilutive deferred consideration shares outstanding	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	679,642,354	620,110,051
(e)	Diluted EPS are not reflected for discontinued operations as the result is anti-dilutive in nature	-	-
(f)	Anti-dilutive options on issue not used in dilutive EPS calculation	-	-

Note 9 Cash and Cash Equivalents

	Note	2021 $	2020 $
Cash at bank and on hand		3,468,432	6,081,964
Short-term bank deposits		-	-
	28	3,468,432	6,081,964

The effective interest rate on short-term bank deposits was 0% (2020 1%); these deposits have an average maturity date of 30 days.

Reconciliation of cash

Cash and cash equivalents 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:

	Note	2021 $	2020 $
Cash and cash equivalents		3,468,432	6,081,964
Credit cards	19	(33,856)	(10,367)
		3,434,576	6,071,597

A floating charge over cash and cash equivalents has been provided for certain debts. Refer to Note 19 for further details.

Note 10 Trade and Other Receivables

	Note	2021 $	2020 $
CURRENT			
Trade receivables		552,329	516,312
Provision for impairment		(26,367)	(15,420)
Business Activity Statement Refund Receivable		-	16,503
		525,962	517,395
Other receivables		950	389,207
Total current trade and other receivables		526,912	906,602

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in *AASB 9: Financial Instruments.*

(a) **Lifetime Expected Credit Loss: Credit Impaired**

	Note	Consolidated Group			
		Opening balance 1 July 2019 $	Net measurement of loss allowance $	Amounts written off $	Closing balance 30 June 2020 $
i. Current trade receivables		-	15,420	-	15,420

	Note	Consolidated Group			
		Opening balance 1 July 2020 $	Net measurement of loss allowance $	Amounts written off $	Closing balance 30 June 2021 $
i. Current trade receivables		15,420	10,947	-	26,367

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are grouped into 3 groups. Group 1 are customers who are also suppliers, this group of trade receivables have a 0% loss allowing provision as their payment is guaranteed. Group 2 are customers who are sales agents, this group of trade receivables have a 0% loss allowing provision as their payment is guaranteed. Group 3 is all other trade receivables, the loss allowance provision as at 30 June 2021 is determined as follows: the expected credit loss incorporates forward looking information.

	Current $	>30 days past due $	>60 days past due $	>90 days past due $	Total
2020					
Expected loss rate	1%	1%	1%	30%	-
Gross carrying amount	46,469	9,793	850	49,494	106,606
Loss allowing provision	465	98	9	14,848	15,420
2021					
Expected loss rate	1%	1%	1%	50%	
Gross carrying amount	84,316	32,309	9,841	50,205	176,671
Loss allowing provision	843	323	98	25,103	26,367

Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

(b) Collateral Held as Security

There is no collateral held as security over any trade receivables or loans to subsidiaries.

(c) Financial Assets Measured at Amortised Cost

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
Trade and other Receivables			
• Total current		526,912	906,602
• Total non-current		-	-
Total financial assets measured at amortised cost	28	526,912	906,602

(d) Collateral Pledged

A floating charge over trade receivables has been provided for certain debts. Refer to Note 19 for further details.

Note 11 Inventories

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
CURRENT			
At cost:			
Fish feed and chemical inventory		398,705	201,959
Livestock - cattle		15,011	15,011
Cage building stock and parts		164,562	42,605
Processing plant inventory		55,522	47,740
		633,800	307,315
At net realisable value:			
Biological assets			
Murray cod broodstock		835,695	835,695
Murray cod fingerlings		1,858,713	1,862,935
Murray cod pond fish		12,158,718	9,477,226
Total biological assets		14,853,126	12,175,856
Total inventory		15,486,926	12,483,171

Biological Assets			
Carrying amount at the beginning of the period		12,175,856	7,188,516
Purchases		2,529,785	1,575,264
Growing costs		2,027,757	1,469,388
Decreases due to harvest for sale		(6,419,605)	(2,571,797)
Gain from physical changes at fair value		4,539,333	4,514,485
Carrying amount at the end of the period		14,853,126	12,175,856

Note 12 Other Financial Assets

	Note	Consolidated Group 2021 $	2020 $
NON- CURRENT			
Financial assets at cost		95	87
Other investments		-	-
Total non-current assets		95	87
Unlisted investments, at cost			
• shares in controlled entities		-	-
• shares in other related parties		-	-
• shares in other corporations		95	87
• shares in associates		-	-
• interests in joint ventures		-	-
• units in other related parties		-	-
		95	87

Note 13 Interests in Subsidiaries

(a) **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

		Ownership interest held by the Group		Proportion of non-controlling interests	
Name of subsidiary	Principal place of business	2021 (%)	2020 (%)	2021 (%)	2020 (%)
Bidgee Fresh Pty Ltd	Level 1, 153 Yambil Street GRIFFITH NSW 2680	100%	100%	0%	0%
Murray Darling Fisheries Pty Ltd	1795 Old Narrandera Road Euberta, NSW 2659	100%	100%	0%	0%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

(b) Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

(c) Acquisition of Controlled Entities

On 16th January 2017, the parent entity acquired a 100% interest in and control of Bidgee Fresh Pty Ltd. The details of this transaction have been disclosed in detail in prior years Financial Reports.

On 30th April 2020, the parent entity acquired a 100% interest in and control of Murray Darling Fisheries Pty Ltd. The details of this transaction have been disclosed in detail in prior years Financial Reports.

Note 14 Property, Plant and Equipment

	Consolidated Group	
	2021 $	2020 $
LAND		
Land		
• at cost	4,076,381	4,076,381
Total land	4,076,381	4,076,381
BUILDINGS		
At valuation	250,000	250,000
Accumulated depreciation	(14,589)	(2,089)
Total buildings	235,411	247,911

The land and buildings held at Bilbul and Grong Grong were acquired at the time of the business acquisitions in 2017. At that time of acquisition, the land and buildings were valued by independent valuers. The land and buildings recently acquired at Euberta as part of the purchase of the 2nd hatchery from Murray Darling Fisheries Pty Ltd was acquired at market value at the date of purchase on 16 March 2020. The land and buildings are recorded at the deemed cost as this is the cost of purchase at the time of acquisition.

During the Financial Year the Directors instructed valuers to prepare a valuation on all of the company properties to enable them to be accounted for at market value in accordance with Accounting Standard AASB 16. Unfortunately, due to the timing of various lockdowns and border closures associated with the COVID-19 pandemic this has meant the valuers have been unable to attend the companies sites to complete the valuations. As a result of this the company continues to account for the properties at cost in this report.

PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	8,796,623	6,657,444
Accumulated depreciation	(2,278,543)	(1,518,634)
At valuation	396,350	396,350
Accumulated depreciation	(86,181)	(12,341)
Accumulated impairment losses	-	-
Total plant and equipment	6,828,249	5,522,819
Total property, plant and equipment	11,140,041	9,847,111

Plant and equipment at valuation was purchased as part of the Murray Darling Fisheries Pty Ltd acquisition refer to note 13.

(a) Movements in Carrying Amounts

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

Consolidated Group:	Freehold Land $	Buildings $	Leasehold Improvement $	Plant and Equipment $	Leased Plant and Equipment $	Total $
Balance at 1 July 2019	1,654,332	-	-	4,744,337	-	6,398,669
Additions	2,422,049	-	-	1,005,986	-	3,428,035
Disposals	-	-	-	-	-	-
Acquisitions through business combinations	-	250,000	-	396,350	-	646,350
Revaluation and impairment increments / (decrements)	-	-	-	-	-	-
Depreciation expense	-	(2,089)	-	(621,557)	-	(623,646)
Capitalised borrowing costs expensed and capital costs write off	-	-	-	(3,497)	-	(3,497)
Capitalised borrowing cost	-	-	-	1,200	-	1,200
Balance at 30 June 2020	4,076,381	247,911	-	5,522,819	-	9,847,111
Additions	-	-	-	2,404,872	-	2,404,872
Disposals	-	-	-	(254,327)	-	(254,327)
Acquisitions through business combinations	-	-	-	-	-	-
Revaluations and impairment increments/ (decrements)	-	-	-	-	-	-
Depreciation expense	-	(12,500)	-	(864,243)	-	(876,743)
Capitalised borrowing costs expensed and capital costs write off	-	-	-	(6,017)	-	(6,017)
Capitalised borrowing cost	-	-	-	25,145	-	25,145
Balance at 30 June 2021	4,076,381	235,411	-	6,828,249	-	11,140,041

	Consolidated Group 2021 $	Consolidated Group 2020 $
(b) Capitalised Finance Costs		
Borrowing costs incurred	42,778	17,533
Borrowing costs written off to profit and loss	(12,501)	(6,384)
Borrowing costs capitalised	30,277	11,149

Note 15 Intangible Assets

	Consolidated Group 2021 $	Consolidated Group 2020 $
Goodwill:		
Cost	2,113,167	2,113,167
Accumulated impairment losses	-	-
Net carrying amount	2,113,167	2,113,167
Trademarks and intellectual Property:		
Cost	61,850	44,513
Accumulated amortisation and impairment losses	-	-
Net carrying amount	61,850	44,513
Water rights and licenses at market value	2,585,250	2,469,400
Total intangible assets	4,760,267	4,627,080

Consolidated Group	**Goodwill $**	**Trademarks & Licenses and IP $**	**Water Rights & Licenses $**
Year ended 30 June 2020			
Balance at the beginning of the year	-	18,400	1,255,700
Additions	-	26,113	1,200,000
Internal development	-	-	-
Acquisitions through business combinations	2,113,167	-	-
Disposals	-	-	-
Impairment losses	-	-	-
Revaluation	-	-	13,700
Closing Value at 30 June 2020	2,113,167	44,513	2,469,400
Year ended 30 June 2021			
Balance at the beginning of the year	2,113,167	44,513	2,469,400
Additions	-	17,337	-
Internal development	-	-	-
Acquisitions through business combinations	-	-	-
Disposals	-	-	-
Impairment losses	-	-	-
Revaluations	-	-	115,850
Closing value at 30 June 2021	2,113,167	61,850	2,585,250

Water licences held by the Group are classified as intangible assets. The licences are issued by the NSW Government and by Murrumbidgee Irrigation Limited and provide the Group with the right to receive allocations of water from Murrumbidgee river supplies and from underground aquifers. The volume of water allocated to the general security Murrumbidgee licences each year is dependent upon the volumes available within the Snowy Mountains storages each year. The allocations are announced progressively throughout the irrigation season each year by the government. Both the licenses and the annual allocations of water are readily tradeable assets. There is a sophisticated and well-regulated market network which provides daily prices of the permanent licences and the annual allocations. The Group revalues the water licences each half year in accordance with the prevailing market prices at balance date.

Impairment disclosures

Impairment of Goodwill is determined annually. Goodwill is allocated to cash-generating units which are based on the Group's reporting divisions. Goodwill was purchased via acquisition of Murray Darling Fisheries Pty Ltd (which is the Euberta Hatchery) on 30 April 2020. There is no impairment of Goodwill in the 2021 or 2020 Financial Year.

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
Euberta Hatchery		2,113,167	2,113,167
		2,113,167	2,113,167

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value in use is calculated based on the present value of cash flow projections over a five-year period with the period extending beyond five years extrapolated using an estimated growth rate. The cash flows are discounted using the yield of a 10-year weighted average cost of capital (WACC) at the beginning of the budget period.

The following key assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
Euberta Hatchery	0%	3%

Management has based the value-in-use calculations on budgets for each reporting division. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the divisions operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular division.

Note 16 Other Assets

	Consolidated Group	
	2021 $	2020 $
CURRENT		
Prepayments	676,473	265,904
NON-CURRENT		
Prepayments	-	-
	676,473	265,904

Note 17 Right of Use Assets

The Group's lease portfolio includes land. These leases have an average of 14-years as their lease term.

The option to extend or terminate are contained in several of the property leases of the Group. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exerciseable by the Group. The extension options or termination options which were probable to be exercised have been included in the calculation of the Right of Use Asset.

		Consolidated Group	
		2021 $	2020 $
i)	**AASB 16 related amounts recognised in the balance sheet**		
	Right of Use Assets		
	Leased land and buildings	4,387,620	2,218,682
	Accumulated depreciation	(611,105)	(390,569)
	Net carrying amount	3,776,515	1,828,113
	Total Right of Use Asset	3,776,515	1,828,113
	Movement in carrying amounts:		
	Leased land and buildings	1,828,113	-
	Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)		1,990,134
	Leases commenced	2,168,938	
	Depreciation expense	(220,536)	(162,021)
	Net carrying amount	3,776,515	1,828,113
ii)	**AASB 16 related amounts recognized in the statement of profit or loss**		
	Depreciation charge related to right-of-use assets	220,536	162,021
	Interest expense on lease liabilities	112,047	78,910
	Total cash outflows for leases	302,717	217,183

Note 18 Trade and Other Payables

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
CURRENT			
Unsecured liabilities			
Trade payables		894,337	544,639
Sundry payables and accrued expenses		323,457	150,901
Amounts payable to related parties	27		
• wholly-owned subsidiaries			
• other related parties			
• key management personnel related entities		-	-
		1,217,794	695,540

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
• Total current		1,217,794	695,540
• Total non-current		-	-
Financial liabilities as trade and other payables	28	1,217,794	695,540

Note 19 Borrowings

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
CURRENT			
Unsecured liabilities at amortised cost:			
Bank overdrafts		-	-
		-	-
Secured liabilities at amortised cost:			
Equipment finance facilities	23	539,363	315,291
Bank overdrafts	19 b,c	-	-
Credit card facilities		33,856	10,367
Total current borrowings		573,219	325,658
NON-CURRENT			
Secured liabilities at amortised cost:			
Bank overdrafts	19 b,c	-	-
Equipment finance facilities	23	2,213,178	1,001,574
Total non-current borrowings		2,213,178	1,001,574
Total borrowings		2,786,397	1,327,232

	Consolidated Group	
	2021 $	2020 $
(a) Total current and non-current secured liabilities:		
Bank overdraft	-	-
Equipment finance facilities	2,752,541	1,316,865
Credit card facilities	33,856	10,367
	2,786,397	1,327,232

(b) The terms and conditions of outstanding loans are as follows:

The Group has a Westpac Business One Loan – Overdraft facility, the limit is $2,500,000, and was undrawn at 30 June 2021. Interest rate is variable but has been approximately 2.5%. The facility is reviewable annually.

The Group has a Westpac Bank Bill Business Loan, facility term 5 years, available redraw $3,950,000. Variable interest rate but has been approximately 2.3%. The facility was undrawn at 30 June 2021.

The Group has a Westpac Business Card Facility. The facility limit is $120,000. The card facility is payable monthly

(c) **Collateral provided**

The Westpac Overdraft, Bank Bill Loan and Credit Card Facilities are secured by Westpac holding the following:

i) Mortgage over property located at Farm 1444D Bilbul Road, BILBUL NSW 2680
ii) Mortgage over property located at “Silverwater” 563 Pinehope Road, GRONG GRONG NSW 2652
iii) Mortgage over property located at 1795 Old Narrandera Road, EUBERTA NSW 2659
iv) General security agreement over all existing and future asset undertakings
v) Mortgage over Water Licence WAL 4091, Murrumbidgee Regulated River Water Source General Security – 130 ML’s
vi) Mortgage over Water Licence WAL 33173, Mid Murrumbidgee Ground Water – 293 ML’s
vii) Mortgage over Murrumbidgee Irrigation Limited – 201 Delivery and General Security entitlements for property located at Farm 1444D, Bilbul Road, BILBUL NSW 2680
viii) Mortgage over Water Licence WAL 33165, Mid Murray Zone 3 Alluvial Groundwater 600 ML’s
ix) Mortgage over Water Licence WAL 3742, Murrumbidgee Regulated River High Security 3 ML’s

Equipment finance facilities are secured by the underlying assets. Equipment finance facilities are held with Commonweatlh Bank, Westpac Bank and Volkswagen Finance.

Financial assets that have been pledged as part of the total collateral for the benefit of bank debt are as follows:

		Consolidated Group	
	Note	2021 $	2020 $
Cash and cash equivalents	9	3,468,432	6,081,964
Trade receivables	10	526,912	906,602
Total financial assets pledged		3,995,344	6,988,566

Note 20 Tax

	Consolidated Group	
	2021 $	2020 $
CURRENT		
Income tax payable	-	-
	-	-

NON-CURRENT Consolidated Group	Opening Balance $	Recognised in Profit and Loss $	Charged directly to Equity $	Changes in Tax Rates $	Exchange Differences $	Closing Balance $
Deferred tax liabilities						
Property, plant and equipment						
• tax allowance	287,267	62,990	-	-	-	350,257
Revaluations	-	57,769	99,893	-	-	157,662
Future income tax benefits attributable to tax losses	-	-	-	-	-	-
Other	-	-	-	-	-	-
Balance at 30 June 2020	287,267	120,759	99,893	-	-	507,919
Deferred tax liabilities						
Property, plant and equipment						
• tax allowance	350,257	53,628	-	(19,105)	-	384,780
Revaluations	157,662	(5,321)	-	(8,600)	-	143,741
Future income tax benefits attributable to tax losses						
Other						
Balance at 30 June 2021	507,919	48,307	-	(27,705)	-	528,521
Deferred tax assets						
Provisions and accruals	41,832	39,862	-	-	-	81,694
Other	626,661	(142,010)	-	-	-	484,651
Balance at 30 June 2020	668,493	(102,148)	-	-	-	566,345
Deferred tax assets						
Provisions and accruals	81,694	56,007	-	(4,456)	-	133,245
Other	484,651	184,140	-	(26,435)	-	642,356
Balance at 30 June 2021	566,345	240,147	-	(30,891)	-	775,601

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in Note 1(b) occur. These amounts have no expiry date.

Note 21 Provisions

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
CURRENT			
Employee Benefits			
Opening balance at 1 July		192,222	86,066
Additional provisions		115,713	106,156
Balance at 30 June		307,935	192,222

	Consolidated Group 2021 $	Consolidated Group 2020 $
Analysis of Total Provisions		
Current	307,935	192,222
Non-current	-	-
	307,935	192,222

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12-months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion of this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The probability of long service leave taken being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1q.

Note 22 Issued Capital

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
568,465,768 (2020: 563,873,224 fully paid ordinary shares)		39,924,930	39,447,966
Less: Capital Raising Costs		(2,046,594)	(2,037,835)
568,465,768 (2020: 563,873,224 fully paid ordinary shares)		37,878,336	37,410,131

At the 30th June 2021 the Group has authorised share capital amounting to 568,465,768 ordinary shares.

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
(a) Ordinary Shares		No.	No.
At the beginning of the reporting period		563,873,224	456,336,415
Shares issued during the year			
• 18/12/2019		-	103,448,276
• 30/04/2020		-	4,088,533
• 20/10/2020		1,016,667	-
• 11/02/2021		175,000	-
• 05/05/2021		2,734,211	-
• 28/06/2021		666,666	-
At the end of the reporting period		568,465,768	563,873,224

All shares issued during the 2021 Financial Year were issued as a result of an exercise of options.

All shares are fully paid ordinary shares, there is no par value.

(b) Options

(i) For information relating to Murray Cod Australia Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 25.

(ii) For information relating to share options issued to key management personnel during the financial year, refer to Note 25.

(c) Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to ensure that the Group's gearing ratio remains between 0% and 50%. The gearing ratios for the year ended 30 June 2021 and 30 June 2020 are as follows:

	Note	Consolidated Group 2021 $	Consolidated Group 2020 $
Total borrowings and payables		7,879,358	3,920,871
Less cash and cash equivalents	9	(3,468,432)	(6,081,964)
Net debt		4,410,926	(2,161,093)
Total equity		31,895,448	31,985,365
Total capital		36,306,374	29,824,272
Gearing ratio		13.83%	N/A

Note 23 Capital and Leasing Commitments

	Consolidated Group 2021 $	Consolidated Group 2020 $
(a) Equipment Finance Facility Commitments		
Payable — minimum lease payments		
• not later than 12 months	714,799	383,383
• between 12 months and five years	2,018,422	1,133,838
• later than five years	327,918	-
Minimum lease payments	3,061,139	1,517,221
Less future finance charges	(308,598)	(200,356)
Present value of minimum lease payments	2,752,541	1,316,865

All finance lease commitments are equipment finances from the Commonwealth Bank, Westpac Bank and Volkswagen Finance. There are 27 contracts with varying commencement and completion dates. The contracts are over various aquaculture farming equipment. No equipment finance facility commitments are longer than 8 years. Security provided for each equipment finance is the underlying asset in regards which the finance was obtained for.

Note 24 Cash Flow Information

	Note	Consolidated Group 2021 $	2020 $
(a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax			
Profit after income tax		(1,164,283)	61,690
Non-cash flows in profit			
Depreciation and amortisation		1,097,280	791,196
Loss on disposal of plant		23,036	-
Share based payment		687,630	295,353
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
(Increase)/decrease in trade and term receivables		377,816	(534,794)
(Increase)/decrease in other assets		(476,927)	1,551
(Increase)/decrease in inventories		(3,003,755)	(4,778,605)
Increase/(decrease) in trade payables and accruals		522,254	(375,763)
Increase/(decrease) in income taxes payable		1,874	(2,410)
Increase/(decrease) in provisions		115,713	106,156
Increase/(decrease) in deferred taxes payable		20,602	120,759
(Increase)/decrease in deferred taxes receivable		(209,256)	102,148
Net cash generated by operating activities		(2,008,016)	(4,212,719)

(b) Changes in Liabilities arising from Financing Activities

	1 July 2020	Cashflows	Initial Application of AASB16	Acquisition	30 June 2021
Short term borrowings	-	-	-	-	-
Long term borrowings	1,316,865	(348,665)	-	1,784,341	2,752,541
Lease liabilities	1,898,099	(191,870)	-	2,168,938	3,875,167
Total	3,214,964	(540,535)	-	3,953,279	6,627,708

(c) Acquisition of Entities

	Note	Consolidated Group 2021 $	2020 $
During the 2020 year 100% of Murray Darling Fisheries Pty Ltd was purchased on 30 April 2020.			
Details of this transaction:			
Purchase consideration		-	3,000,000
Consisting of:			
• Cash consideration		-	2,500,000
• Issue of ordinary shares		-	500,000
Total consideration		-	3,000,000
Cash consideration		-	2,500,000
Cash outflow		-	2,500,000
Assets and liabilities held at acquisition date			
• Receivables		-	3,266
• Inventories		-	337,110
• Property, plant and equipment		-	646,350
• Deferred tax liability		-	(99,893)
Identifiable assets acquired and liabilities assumed		-	886,833
Goodwill on consolidations		-	2,113,167

The goodwill is attributed to the high profitability of the acquired business and significant increase in scale of operations and profitability that is expected to arise after the Group's acquisition. The goodwill is also attributed to the high quality of long-standing customer base that the Group will continue to maintain, which will in turn, increase the Group's profitability.

(d) Non cash financing and investing activities

Share Issue

The consideration paid to acquire Murray Darling Fisheries Pty Ltd included 4,088,533 Ordinary Shares issued for $500,000. The fair value of the shares was determined based on the current market price of the shares at the date of acquisition.

	Consolidated Group	
	2021 $	2020 $
(e) Credit Standby Arrangements with Banks		
Credit facility	6,570,000	2,620,000
Amount utilised	-	-
	6,570,000	2,620,000

The major facilities are summarised as follows:

The Group has Westpac Business One Loan – Overdraft facility, the limit is $2,500,000, currently undrawn. Interest rate is variable but has been approximately 2.5%. The facility is reviewable annually.

The Group has a Westpac Business Card Facility. The facility limit is $120,000. The card facility is payable monthly. Interest rates are variable and subject to adjustment.

The Group has a Westpac Bank Bill Business Loan, facility term 5 years, available redraw $3,950,000. Interest rate is variable but has been approximately 2.3%. The facility was undrawn at 30 June 2021

Note 25 Share-based Payments

(a) Murray Cod Australia Limited has in place an Employee Securities Incentive Plan

The purpose of the Plan is to reward, retain and motivate eligible employees, link their reward to shareholder value and align the interests of eligible participants with shareholders.

Shares issued under the Employee Securities Incentive Plan are accounted for as Share Based Payment Expense at the value of the Security to the ASX share listing on the date of issue.

There was no shares issued under the Employee Securities Incentive Plan during the 2021 or 2020 Financial Year.

(b) Murray Cod Australia Limited Public Employee Share Option Scheme

The Group established the Murray Cod Australia Limited Public Employee Share Option Scheme on 16th December 2016 as long-term incentive scheme to recognise talent and motivate executives to strive for Group performance. Employees are granted options which vest over time, subject to meeting specified performance criteria. The options are issued for no consideration and carry no entitlements to voting rights or dividends in the Group. The number available to be granted is determined by the Board and is based on performance measures including growth in shareholder return, return on equity, cash earnings, and group EPS growth.

Unvested options are forfeited when the holder ceases to be employed by the Group, unless the Board determines otherwise (this is usually only in the case of redundancy, death or disablement).

The following options over shares were issued to employees, forfeited or exercised under the Group's Employee Share Option Scheme during the 2021 financial year.

A summary of the movements of all options issued is as follows:

	Consolidated Group	
	Number	Weighted average exercise price
Options outstanding as at 1 July 2019	92,683,333	$0.076
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	(300,000)	$0.10
Options outstanding as at 30 June 2020	92,383,333	$0.077
Granted	19,300,000	$0.25
Forfeited	-	-
Exercised	(4,658,333)	$0.075
Expired	-	-
Options outstanding as at 30 June 2021	107,025,000	$0.1077
Options exercisable as at 30 June 2020:	92,383,333	$ 0.077
Options exercisable as at 30 June 2021:	107,025,000	$0.1077

The following options were exercised during the 2021 year:

- 4,358,333 Options were exercised at $0.075
- 300,000 Options were exercised at $0.10

The fair value of the options granted to employees is considered to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year is calculated using the Black Scholes option pricing model.

Options granted to key management personnel as share-based payments during 2021 are as follows:

		Consolidated Group	
		2021 $	2020 $
Share Based Payment Expense			
30/06/2020	300,000 Options lapsed from Directors and employees	-	(7,131)
04/01/2021	14,000,000 Options issued to Directors and employees	366,094	-
11/02/2021	2,000,000 Options issued to Directors and employees	62,836	-
15/04/2021	2,000,000 Options issued to Directors and employees	145,780	-
14/05/2021	1,000,000 Options issued to Directors and employees	65,690	-
		640,400	(7,131)

These options and performance rights were issued as compensation to key management personnel of the Group. Further details are provided in the Directors' Report.

Total Options issued by Murray Cod Australia Limited at 30 June 2021

Quantity issued to:	Options Issued	Exercise Price	Expiry Date	Fair Value /Option	Fair Value 30/6/21	Vested
Panaquatic (Corporate Advisor) issued 16/1/17	2,500,000	0.075	16/1/2022	0.03470	86,750	Yes
Entity related to Ross Anderson (Director) issued 16/1/17	15,000,000	0.075	16/1/2022	0.03470	520,500	Yes
Entity related to Martin Priestley (Director) issued 16/1/17	2,000,000	0.075	16/1/2022	0.03470	69,400	Yes
Entity related to Douglas O'Neill (Previous Director) issued 16/1/17	1,825,000	0.075	16/1/2022	0.03470	63,328	Yes
Riverina Aquaculture and Silverwater on Asset acquisition issued 16/1/17	24,000,000	0.075	16/1/2022	0.03470	832,800	Yes
Brigalow Enterprises Pty Ltd and M & B Ryan Pty Ltd on acquisition of Bidgee Fresh Pty Ltd issued 16/1/17	40,000,000	0.075	16/1/2022	0.03470	1,388,000	Yes
Employee Options issued 18/8/17	300,000	0.15	30/6/2023	0.01689	5,066	Yes
Employee Options issued 18/8/17	400,000	0.2	30/6/2025	0.01266	5,063	No
Entity related to Martin Priestley (Director) issued 28/11/18	2,000,000	0.125	10/12/2021	0.10695	213,899	Yes
Entity related to Ross Anderson (Director) issued 4/1/2021	5,000,000	0.25	03/01/2025	0.02615	130,747	No
Entity related to Mathew Ryan (Director) issued 4/1/2021	5,000,000	0.25	03/01/2025	0.02615	130,747	No
Entity related to George Roger Commins (Director) issued 4/1/2021	2,000,000	0.25	03/01/2025	0.02615	52,300	No
Entity related to Martin Priestley (Director) issued 4/1/2021	2,000,000	0.25	03/01/2025	0.02615	52,300	No
Employee Options issued 11/02/2021	2,000,000	0.25	03/01/2025	0.03142	62,836	No
Entity related to David Crow (Director) issued 15/4/2021	2,000,000	0.25	03/01/2025	0.07289	145,780	No
Employee Options issued 14/05/2021	1,000,000	0.25	03/01/2025	0.06569	65,690	No
	107,025,000				3,825,206	

Total Peformance Rights issued by Murray Cod Australia Limited at 30 June 2021

Performance Rights	No. Issued	Fair Value/Right	Fair Value 30/06/21	Vested
Class A	5,000,000	0.05	250,000	Yes
Class B	5,000,000	0.05	250,000	Yes
Class C	5,000,000	0.05	250,000	Yes
	15,000,000		750,000	

c) Murray Cod Australia Limited deferred consideration shares, vested options and performance rights

On the 16th January 2017 deferred consideration shares and options were issued as a result of a business combination that occurred. The business combination was detailed in the 2018 and 2017 Financial Reports and the prospectus issued in November 2016.

15,000,000 Performance Rights were issued on the condition that they are not vested until the milestone is achieved and approved as agreed by the Board of Directors. The Milestone being Class A 5,000,000 Production and sale of 50 tonnes of Murray cod within 3 years of issue. Class B 5,000,000 Production and sale of 100 tonnes of Murray cod within 4 years of issue, and Class C 5,000,000 Production and sale of 150 tonnes of Murray cod within 5 years of issue.

At the time of listing Management assessed that the probability of achieving the performance milestone was 50%. Due to the probability of achieving the performance milestone the performance rights were valued at 50% of the deemed value which was $0.05 per share.

Class A and Class B and Class C Performance Rights have now vested and now vested they are valued at the price $0.05 per share, this increase in value is expensed to Share Based Payment Expense.

On the 16/1/2017 5,000,000 Options were issued to Corporate Adviser Panaquatic. Previously these options were accounted for at 25% of valuation as the options had not vested. The Options vested on the 25th of February 2020 as the milestones were achieved. The Options are now accounted for at 100% of valuation.

	Consolidated Group	
	2021 $	2020 $
Share Based Payment Expense		
30/6/2020 Account for vested options at 100% of valuation	-	130,125
30/6/2020 5,000,000 Class C Performance Rights Vested	-	125,000
04/01/2021 14,000,000 Options issued to Directors and employees	366,094	-
11/02/2021 2,000,000 Options issued do Directors and employees	62,836	-
15/4/2021 2,000,000 Options issued to Directors and employees	145,780	-
14/5/2021 1,000,000 Options issued to Directors and employees	65,690	-
	640,400	255,125

(d) Murray Cod Australia Limited Agreement with Heston Blumenthal

Murray Cod Australia Limited entered into a collaboration agreement with Heston Blumenthal and his associated companies. 1,500,000 Ordinary Shares were issued to Mr Blumenthal's related companies along with a payment of $100,000, in return for Heston, and his team of world class chefs collaborating with Aquna on menu and product development to extend the food brand's reach in local and global markets. The term of the agreement being 5 years. The value of the shares issued are recorded as a prepaid expense and expensed as share payment based expense as is incurred.

	Consolidated Group	
	2021 $	2020 $
Share Based Payment Expense		
24/5/2019 1,500,000 Ordinary Shares issued at $0.155		
$232,500, expensed over 5 years	47,230	47,359

Summary of Shared Based Payment Expenses 2021

		Quantity	Price $/Unit	Market Value $
a)	Options issued to Directors and employees	14,000,000	0.02615	366,094
a)	Options issued to Directors and employees	2,000,000	0.03142	62,836
c)	Options issued to Directors and employees	2,000,000	0.07289	145,780
d)	Options issued to Directors and employees	1,000,000	0.06569	65,690
e)	Agreement with Heston Blumenthal expense amortised over 5 years			47,230
TOTAL				687,630

Summary of Shared Based Payment Expenses 2020

		Quantity	Price $/Unit	Market Value $
a)	300,000 Employee options lapsed	300,000	0.02377	(7,131)
a)	5,000,000 Corporate options vested	5,000,000	0.026025	130,125
c)	5,000,000 Performance rights vested	5,000,000	0.02500	125,000
d)	Agreement with Heston Blumenthal expense amortised over 5 years			47,359
TOTAL				295,353

Note 26 Events After the Reporting Period

Other than the following, the Directors are not aware of any significant events since the end of the reporting period.

4,500,000 Ordinary Shares have been issued since 30 June 2021 as a result of 4,500,000 Options being exercised. 4,000,000 options were exercised at an exercise price of $0.075 and 500,000 options were exercised at an exercise price of $0.25.

In March 2020, the World Health Organisation classified the COVID-19 outbreak as a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Lockdowns due to the COVID-19 pandemic in Sydney and Melbourne occurring in July and August 2021 have impacted sales during this time. We expect our other initiatives will enable us to continue to meet our sales targets for the financial year ending 30 June 2022.

Note 27 Related Party Transactions

Related Parties

(a) The Group's main related parties are as follows:

i. **Entities exercising control over the Group:**

The ultimate parent entity that exercises control over the Group is Murray Cod Australia limited, which is incorporated in Australia.

ii. **Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For detail of disclosures relating to key management personnel, refer to Note 6.

iii. **Entities subject to significant influence by the Group:**

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iv. **Joint ventures accounted for under the equity method:**

The Group has no interest in any joint ventures.

v. **Other Related Parties:**

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

(b) Transactions with related parties:

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

The following transactions occurred with related parties:

	Consolidated Group 2021 $	Consolidated Group 2020 $
i. **Ultimate parent entity**		
Interest revenue		
ii. **Associates**		
Sales of goods and services		
Dividend revenue		
Interest revenue		
iii. **Joint Ventures**		
Dividend revenue		
iv. **Other Related Parties**		
Purchase of goods and services		
Ventnor Capital Group related to previous Director Morgan Barron has provided Joint Group Secretarial Services of Brett Tucker and Corporate Advisory Services to Murray Cod Australia Limited (total GST Inclusive)	26,510	26,400
Anderson's Tax and Investment Services Pty Ltd a Company related to Director Ross Anderson has provided Joint Group Secretarial Services of Wendy Dillon, monthly administration and general bookkeeping, accounting, corporate consulting, taxation and advice and preparation of financial report services, payroll services, human resources services, provision of office space, facilities and supplies. Anderson's Chartered Accountants (The Firm) has provided a wide variety of services to MCA. However, no work undertaken by Mr Anderson on behalf of MCA has been charged to MCA by the Firm. For all of his personal exertion in the service of MCA Mr Anderson has received no benefits or remuneration other than directors' fees disclosed in this report. (Total GST Inclusive)	357,616	329,461
Anderson's Tax and Investment Services Pty Ltd a Company related to Director Ross Anderson has paid expenses on behalf of the Group and been reimbursed these costs. (Total GST Inclusive)	800	7,900
Commins Enterprises Pty Ltd a Company related to Director George Roger Commins has provided manufacturing services to the Group (Total GST Inclusive)	586,058	298,904
Aquacomm Pty Ltd a Company related to Director George Roger Commins is a contract Murray cod grower to Murray Cod Australia Limited. Purchase of contract grown Murray cod less costs and miscellaneous materials and goods (GST Inclusive)	308,402	354,149
Bamford Partners a Company related to Director Martin Priestley was paid expense payment reimbursements (Total GST Inclusive)	425	-
Ag Finance Specialists Pty Ltd a company related to Director Ross Anderson was paid Interest as per the Loan Agreement at 6%	-	3,699
Sales of goods and services		
Aquacomm Pty Ltd a Company related to Director George Roger Commins has been sold Murray cod feed and contract services from Murray Cod Australia Limited (GST Inclusive)	15,548	11,094
Aquacomm Pty Ltd a Group related to Director George Roger Commins has been sold advanced fingerlings from Murray Cod Australia Limited (GST Inclusive)	-	51,342

(c) Amounts outstanding from related parties

Trade and Other Receivables

Unsecured loans are made to the ultimate parent entity, subsidiaries, directors, key management personnel and other related parties on an arm's-length basis. Interest on the loan agreement, principal and interest repayments are made over the term of the loans.

(d) Amounts payable to related parties

Trade and Other Payables

Unsecured, at call loans are provided by the ultimate parent entity, subsidiaries, directors, key management personnel and other related parties on an arm's-length basis. Interest is dependent on the loan agreement.

	Consolidated Group	
	2021 $	2020 $
Loans from Other Key Management Personnel Related Entities		
Beginning of the year	-	579,092
Loans advanced	-	-
Loan repayment received	-	(582,791)
Interest charged	-	3,699
Interest received	-	-
End of the year	-	-

Note 28 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills, leases, preference shares and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:*

		Consolidated Group	
	Note	2021 $	2020 $
Financial Assets			
Financial assets at amortised cost			
• Cash and cash equivalents	9	3,468,432	6,081,964
• Trade and other receivables	10	526,912	906,602
• Investments in unlisted shares	12	95	87
Total Financial Assets		3,995,439	6,988,653
Financial Liabilities			
Financial liabilities at amortised cost			
• Trade and other payables	18	1,217,794	695,540
• Borrowings	19	2,786,397	1,327,232
Total Financial Liabilities		4,004,191	2,022,772

Financial Risk Management Policies

The Board of Directors monitors the Groups' financial risk management policies and exposures and approves financial transactions. It also reviews the effectiveness of internal controls relating to commodity risk, counterparty credit risk, foreign currency risk, liquidity risk and interest rate risk. The Board of Directors meet at least on a bi-monthly basis.

The overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 7 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the board has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Significant increase in credit risk for financial instruments

The Group evaluates and compares the risk of a default on a financial instrument at the reporting date with the risk of a default on the financial instrument at the date of initial recognition. To support the evaluation process, the Group takes into consideration both quantitative and qualitative information that is reasonable and justifiable, including past experience and prospective information that is publicly available. Prospective information taken into consideration includes the future volatility of the industries in which the Group's debtors are in, obtained from industry expert reports, financial news report, governmental bodies, as well as taking into consideration multiple external sources of current and future economic information that the Group's core operations can relate to.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries.

There is no Collateral held by the Group securing receivables.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographic basis, the Group has significant credit risk exposures to Australia given the substantial operations in Australia. The Group has had some credit risk exposures to Japan, USA, Singapore and the United Kingdom in prior years as Murray Cod Australia Ltd was exporting to these countries, there has been no credit risk exposure in 2021 as exports have ceased due to the COVID-19 pandemic. Details with respect to credit risk of Trade and Other Receivables is provided in Note 10.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 10.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

		Consolidated Group	
	Note	2021 $	2020 $
Cash and cash equivalents:			
• AA Rated		3,468,432	6,081,964
• A Rated		-	-
	9	3,468,432	6,081,964

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group's policy is to ensure no more than 25% of borrowings should mature in any 12 month period.

The following table reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year 2021 $	Within 1 Year 2020 $	1 to 5 years 2021 $	1 to 5 years 2020 $	Over 5 years 2021 $	Over 5 years 2020 $	Total 2021 $	Total 2020 $
Financial liabilities due for payment								
Bank overdrafts and loans	-	-	-	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-	-	-	-
Debentures	-	-	-	-	-	-	-	-
Redeemable preference shares	-	-	-	-	-	-	-	-
Convertible preference shares	-	-	-	-	-	-	-	-
Trade and other payables	1,251,650	705,907	-	-	-	-	1,251,650	705,907
Contract liabilities	-	-	-	-	-	-	-	-
Refund liability	-	-	-	-	-	-	-	-
Amounts payable to related parties	-	-	-	-	-	-	-	-
Finance lease liabilities	539,363	315,291	2,213,178	1,001,574	-	-	2,752,541	1,316,865
Financial guarantees	-	-	-	-	-	-	-	-
Total expected outflows	1,791,013	1,021,198	2,213,178	1,001,574	-	-	4,004,191	2,022,772

Consolidated Group	Within 1 Year 2021 $	Within 1 Year 2020 $	1 to 5 years 2021 $	1 to 5 years 2020 $	Over 5 years 2021 $	Over 5 years 2020 $	Total 2021 $	Total 2020 $
Financial Assets - cash flows realisable								
Cash and cash equivalents	3,468,432	6,081,964	-	-	-	-	3,468,432	6,081,964
Trade, term and loan receivables, contract costs and right of return goods asset	526,912	906,602	-	-	-	-	526,912	906,602
Contract assets	-	-	-	-	-	-	-	-
Contract costs	-	-	-	-	-	-	-	-
Right to returned assets	-	-	-	-	-	-	-	-
Held-for-trading investments	-	-	-	-	-	-	-	-
Investments: financial assets at amortised cost	-	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	-	-	-
Total anticipated inflows	3,995,344	6,988,566	-	-	-	-	3,995,344	6,988,566
Net (outflow) / inflow on financial instruments	2,204,331	5,967,368	(2,213,178)	(1,001,574)	-	-	(8,847)	4,965,794

The period in which cash flows related to cash flow hedges are expected to occur are as depicted in the above maturity analysis table. The period in which the cash flows related to cash flow hedges are expected to affect profit or loss are as follows:

Consolidated Group	Within 1 Year 2021 $	Within 1 Year 2020 $	1 to 5 years 2021 $	1 to 5 years 2020 $	Over 5 years 2021 $	Over 5 years 2020 $	Total Contractual Cash Flow 2021 $	Total Contractual Cash Flow 2020 $
Interest rate swaps	-	-	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-	-	-
Financial assets pledged as collateral	-	-	-	-	-	-	-	-

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to Note 19(c) for further details.

c. Market Risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings, foreign exchange forward contracts, interest rate swaps, government and fixed interest securities, and cash and cash equivalents.

Interest Rate Swaps

The Consolidated Group did not hold any interest rate swap contracts during the 2021 or 2020 Financial Year.

The net effective variable interest rate borrowings (i.e. unhedged debt) expose the Group to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

		Consolidated Group	
Floating rate instruments	Note	2021 $	2020 $
Bank overdrafts, Bank bill loan and credit card facilities		-	-
		-	-

ii. *Foreign currency risk*

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Current sales to export markets in Japan, USA, Singapore and the United Kingdom are currently priced in AUD or aren't significant enough to justify the cost of hedging our Foreign Currency Risk.

The only purchases involving Foreign Currency are occasional equipment purchases which aren't significant enough to justify the cost of hedging our Foreign Currency Risk.

iii. *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for commodities.

The Group is exposed to commodity price risk through the operations of its Murray Cod production business. The Board constantly monitors commodity prices and aims to minimise significant price risk accordingly.

Sensitivity Analysis

Sensitivity analysis has not been displayed due to the immaterial nature of the interest rate and exchange rate risks on the Group's operations.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are the same amounts as the carrying amounts as presented in the statement of financial position. Refer to Note 29 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

Note 29 Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Biological assets
- Water rights and licenses

The Group measures some items of freehold land and buildings at fair value on a non-recurring basis.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) *Fair value hierarchy*

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available, and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

		30 June 2021			
	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements					
Inventory					
Inventory at fair value through profit or loss					
• Biological assets - current	11	-	-	14,853,126	14,853,126
Total Inventory assets recognised at fair value on a recurring basis		-	-	14,853,126	14,853,126
Non-financial assets					
Water rights and licenses	15	2,585,250	-	-	2,585,250
Total non-financial assets recognised at fair value on a recurring basis		2,585,250	-	-	2,585,250
Non-recurring fair value measurements					
Land and buildings	14	-	4,311,792	-	4,311,792
Total non-financial assets recognised at fair value on a non-recurring basis		-	4,311,792	-	4,311,792
Total non-financial assets recognised at fair value		2,585,250	4,311,792	-	6,897,042

(i) On the 17th of January 2017 settlement occurred for the purchase of Farm 1444D Bilbul Road, Bilbul and 563 Pinehope Road, Grong Grong. These farming properties have not been revalued as at 30th June 2021. During the year we instructed valuers to revalue our properties so that we could account for them in accordance with Australian Accounting Standard AASB 116. Unfortunately, the timing of various lockdowns and border closures associated with the COVID-19 pandemic meant they have been unable to attend our sites or complete their valuations.

All Land and Buildings were acquired at the time of the business acquisitions from Silverwater and Riverina Acquaculture. At the time of acquisition, the Land and Buildings were valued by an independent valuer. We continue to account for these properties at original cost in this report as valuations have been unobtainable at the time of preparing this report.

The Land and Buildings acquired at Euberta as part of the purchase of the 2nd Hatchery from Murray Darling Fisheries Pty Ltd was acquired at market value at the date of purchase on 16 March 2020. The Land and Buildings are recorded at the deemed cost as this is the cost of purchase at the time of acquisition. We continue to account for these properties at original cost in this report as valuations have been unobtainable at the time of preparing this report.

		30 June 2020			
	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring Fair Value Measurements					
Inventory					
Inventory at fair value through profit or loss					
• Biological assets - current	11	-	-	12,175,856	12,175,856
Total Inventory assets recognized at fair value on a recurring basis				12,175,856	12,175,856
Non-financial assets					
Water rights and licenses	15	2,469,400			2,469,400
Total non-financial assets recognized at fair value on a recurring basis		2,469,400			2,469,400
Non-recurring fair value measurements					
Land and buildings	14	-	4,324,292	-	4,324,292
Total non-financial assets recognised at fair value on non-recurring basis					
Total non-financial assets recognised at fair value		2,469,400	4,324,292	-	6,793,692

(b) *Valuation techniques and inputs used to measure Level 2 fair values*

Description	Fair value ($) at 30 June 2021	Valuation technique(s)	Inputs used
Non-financial assets			
Land and buildings (i)	4,311,792	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology.	Price per hectare; market borrowing rate
	4,311,792		

(i) The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

(c) *Valuation techniques and unobservable inputs used to measure Level 3 fair values*

Valuation processes

The biological assets of the Group are considered Level 3 and are valued internally by the Group as there is no observable market for them. The value is based on the estimated exit price per kilogram and the value changes for the average weight of each fish as it progresses through the growth and transformation cycle. The average weight of the fish is sample measured periodically, and the value is determined by applying the average weight to the estimated price based on staged weight values (100gram stages). The lifecycle of the fish is approximately 2 years to minimum initial harvest size. The value per fish is based on this weight estimate, multiplied by the expected market price at the relevant point of transformation. Significant changes in any of the significant unobservable inputs in isolation would result in significant changes in fair value measurement.

The net increment/(decrement) in the fair value of Murray Cod is recognised as income/(expense) in the reporting period. There has been an increase in the fair value per unit of Murray Cod Fish from 30 June 2020 to 30 June 2021, from $16.35/kg to $17.42/kg, this increase is based on observed market selling information.

Note 30 Reserves

a. Asset Revaluation Reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, and water rights and licences.

b. Options Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

c. Performance Rights Reserve

The performance rights reserve records items recognised as expenses on valuation of employee performance rights.

		Consolidated Group	
	Note	2021 $	2020 $
Asset Revaluation Reserve			
Revaluation of Water rights and licenses	29	115,850	13,700
Movement in Asset Revaluation Reserve		115,850	13,700
Options Reserve			
Options issued during the year		640,400	-
Options exercised during the year		(150,089)	-
Options lapsed during the year		-	(7,131)
Options vested during the year		-	130,125
Movement in Options Reserve		490,311	122,994
Performance Rights Reserve			
Valuation of Performance Rights Issued		-	-
Performance Rights Vested during the year		-	125,000
Movement in Asset Revaluation Reserve		-	125,000

Note 31 Company Details

The registered office of the company is:
Murray Cod Australia Limited
Level 1
153 Yambil Street
GRIFFITH NSW 2680

The principal places of business are:

Murray Cod Australia Limited

“Silverwater” 563 Pinehope Road, GRONG GRONG NSW 2652

Farm 1444d, Bilbul Road, BILBUL NSW 2680

Farm 1444c, Burley Griffin Way, BILBUL NSW 2680

“Carawatha” Irrigation Way WIDGELLI NSW 2680

1/15A Lenehan Road, GRIFFITH NSW 2680

1795 Old Narrandera Road EUBERTA NSW 2650

1360 Whitton Road WHITTON NSW 2705

Directors Declaration

In accordance with a resolution of the Directors of Murray Cod Australia Limited, the Directors of the Group declare that:

1. the financial statements and notes, as set out on pages 11 to 61, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
   (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated group;
2. in the Directors opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. the Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Director

Ross James Anderson

Dated this 30th August 2021

Independent Auditor's Report

PinnacleHPC Pty Ltd
ABN 15 866 782 108

MURRAY COD AUSTRALIA LIMITED AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MURRAY COD AUSTRALIA LIMITED

Report on the Financial Report

Opinion

I have audited the financial report of Murray Cod Australia Limited (the Company and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting and the directors' declaration.

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

a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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PO Box 1467, Griffith NSW 2680
Web: www.pinnaclehpc.com.au

PinnacleHPC
ACCOUNTANTS

PinnacleHPC Pty Ltd
ABN 15 866 782 108

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report for the year ended 30 June 2021. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter

Biological assets (refer to note 11 – Biological assets and inventory)

The Group's biological assets at 30 June 2021 were valued at $14,853,126. AASB 141 *Agriculture* requires biological assets to be measured at fair value less costs to sell or cost less impairment where no fair value can be determined. I considered the valuation of the biological assets to be a key audit matter due to the estimation required in relation to the biomass of the biological assets.

The Group has valued biological assets at fair value less costs to sell. Pond fish are valued at fair value based on a price per kilo while the value of fingerlings is based on scale dependent upon the weight of the individual fish. These values are based on recent sales.

How my audit addressed the key audit matter

My procedures to address the valuation of biological assets included, amongst other things:

- Observation of grading process;
- Observation of harvesting process;
- Performing a reconciliation based on opening balances fish balances and testing a sample of fish movements (including purchases, sales, breeding, harvest and mortalities) to supporting documentation to assess the reasonableness of closing fish stock;
- Discussion with personnel regarding inventory information recorded in software and the application of growth modelling to the inventory information:
- Review of mortalities and adjustments reported by Aqua Manager during the year to determine the legitimacy and reasonableness of these adjustments;
- Review of recent sale and purchase prices and undertaking a comparison to 30 June 2021 valuation for reasonableness; and
- Examination of the model for estimating weights of fish at 30 June 2021.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

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

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

PinnacleHPC
ACCOUNTANTS

PinnacleHPC Pty Ltd
ABN 15 866 782 108

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up

PinnacleHPC Pty Ltd
ABN 15 866 782 108

to the date of my auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

I have audited the remuneration report included in pages 5-9 of the directors' report for the year ended 30 June 2021.

In my opinion, the remuneration report of Murray Cod Australia Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s300A of the *Corporations Act 2001*. My responsibility is to express an opinion on the remuneration report, based on my audit conducted in accordance with Australian Accounting Standards.

J Keenan

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J.P. Keenan FCPA
Registered Company Auditor 156228
135 Yambil Street Griffith NSW 2680

Dated this 30th day of August 2021

Additional Information For Listed Public Companies

The following information is current as at 22nd August 2021:

1. Shareholding

a. Distribution of Shareholders

	Number	
Category (size of holding)	No. of Holders	No. of Units
1-1,000	97	8,596
1,001 – 5,000	486	1,413,858
5,001 – 10,000	257	2,045,910
10,001 – 100,000	879	35,896,175
100,001 – and over	422	533,601,229
	2,141	572,965,768

b. The number of shareholdings held in less than marketable parcels is 188

c. The names of the substantial shareholders listed in the holding Group's register are:

	Number	
Shareholder	Ordinary	Preference
Entities controlled by Mathew Ryan	88,571,429	-
JP Morgan Nominees Australia Pty Ltd	61,962,695	-
HSBC Custody Nominees	48,514,029	-
Entities controlled by George Roger Commins	27,687,157	-

d. Voting Rights

The voting rights attached to each class of equity securities are as follows:

Ordinary shares:

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Redeemable and convertible preference shares:

- There are no redeemable or convertible preference shares on issue.

e. 20 Largest Shareholders - Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. M & B Ryan Pty Ltd	66,071,429	11.53
2. JP Morgan Nominees Australia Pty Limited	61,962,695	10.81
3. HSBC Custody Nominees (Australia) Limited	48,514,029	8.47
4. Brigalow Enterprises Pty Ltd	27,142,857	4.74
5. Andersons Investment Services Pty Ltd	12,596,774	2.2
6. M & B Ryan Pty Ltd	12,500,000	2.18
7. Brondlax Pty Ltd	10,378,617	1.81
8. The Esplanade Superannuation Pty Ltd	10,370,000	1.81
9. Matthew John Ryan	10,000,000	1.75
10. Timothy Mitchell Commins & George Roger Commins & Kerry Jean Forbes	9,096,774	1.59
11. SCMG Pty Ltd	9,000.000	1.57
12. Albins Pty Ltd	9,000,000	1.57
13. Larry Michael Walsh	8,969,236	1.57
14. Southern Cotton Pty Ltd	8,612,903	1.5
15. Cameron Ray Townsend & Therese Margaret Townsend	8,200,000	1.43
16. Geoffrey Leonard Grimish & Mary Olive Grimish	8,050,334	1.41
17. Timothy Mitchell Commins & Jason Joseph Mimmo	8,000,000	1.4
18. Ian Charles & Michelle Charles	6,000,000	1.05
19. AS & JJ Anderson Pty Ltd	5,050,297	0.88
20. Lubbert Bultman & Benjamin Luke Bultman	4,350,000	0.76

2. The names of the Group secretaries are Brett Tucker and Wendy Dillon.

3. The address of the principal registered office in Australia is Level 1, 153 Yambil Street, GRIFFITH NSW 2680. Telephone 02 6962 5470

4. Registers of securities are held at the following address:
110 Stirling Highway
NEDLANDS WA 6009

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities

Options over unissued shares
A total of 102,525,000 Options are on issue

7. Other Disclosures

There are 15,000,000 performance rights on issue. The terms of these shares are disclosed in Note 1b of the Remuneration Report.

During the Financial Year the Group has used its cash in accordance with its stated business objectives.

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