

Murray Cod Australia Ltd

ACN: 143 928 625



AQUNA
Sustainable Murray Cod

Interim Financial Report For The Half-Year Ended
31 December 2021



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This interim financial report incorporating Appendix 4D is provided to the Australian Securities Exchange (ASX under ASX Listing Rule 4.2A.3). The information contained in this report is to be read in conjunction with Murray Cod Australia Ltd's 2021 Annual Report and any announcements to the market by Murray Cod Australia Ltd during the half-year period ending 31 December 2021.

ABN: 74 143 928 625. ASX: MCA. Appendix 4D.1.

Current Period 1 July 2021 to 31 December 2021. Prior Corresponding 1 July 2020 to 31 December 2020.



Murray Cod Australia Ltd

ASX:MCA

ABN: 74 143 928 625

Interim Financial Report For The Half-Year Ended 31 December 2021

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Appendix 4D.1

Current Period
Prior Corresponding

1 July 2021 to 31 December 2021
1 July 2020 to 31 December 2020

MURRAY COD AUSTRALIA LIMITED – FINANCIAL REPORT

CORPORATE DIRECTORY

ABN 74 143 928 625

Directors

Ross Anderson
Mathew Ryan
George Roger Commins
Martin Priestley
David Crow

Company Secretaries

Wendy Dillon
Brett Tucker

Registered office

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153 Yambil Street
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Australia
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Solicitors

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

Bankers

Westpac Bank
242 Banna Avenue
GRIFFITH NSW 2680

Auditors

PinnacleHPC Pty Ltd
135 Yambil Street
Griffith, NSW 2680

Website www.aquna.com

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ABN: 74 143 928 625. ASX: MCA. Appendix 4D.1.
Current Period 1 July 2021 to 31 December 2021.
Prior Corresponding 1 July 2020 to 31 December 2020.

MURRAY COD AUSTRALIA LIMITED AND CONTROLLED ENTITIES

ABN: 74 143 928 625

Interim Financial Report For The Half-Year Ended 31 December 2021

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**MURRAY COD AUSTRALIA LIMITED
ABN: 74 143 928 625 AND CONTROLLED
ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

KEY INFORMATION

	Half Year ended 31 December 2021	Half Year ended 31 December 2020	% Change
Revenue from Ordinary Activities	4,842,582	4,191,352	15.54%
Profit/(loss) after tax from ordinary activities attributable to members	(3,042,220)	542,015	(661.28)%
Net Profit/(loss) attributable to members	(3,042,220)	542,015	(661.28)%

Key Highlights

15.54% Revenue Growth

Average sale size of fish now at 2.25kg

DIVIDENDS PAID AND PROPOSED

Nil.

NET TANGIBLE ASSETS PER SHARE

31 Dec 2021 \$0.09

31 Dec 2020 \$0.055

CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF-YEAR

Nil.

DIVIDEND DETAILS

Nil.

DIVIDEND REINVESTMENT PLANS

Nil.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Nil.

INDEPENDENT AUDIT REVIEW

There is no modified opinion, no emphasis of matter or other matter paragraph in the Audit review report.

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES
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 half- year ended 31 December 2021.

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 Anderson
Mathew Ryan
George Roger Commins
Martin Priestley
David Crow

Dividends Paid or Recommended

No dividends have been declared or paid during the half year ended 31 December 2021.

Principal Activities

The principal activity of the Company is Aquaculture.

Review and Results of Operations

Set out below is a review of significant activity for Murray Cod Australia Limited for the half year ended 31 December 2021:

The cool, wet weather during spring and early summer caused slower than expected growth within biological stocks. Water temperatures have increased during summer and it is expected that growth results will improve during the second half of this financial year.

The COVID 19 Pandemic and the government lockdowns implemented have had a significantly negative impact on operations. Specifically:

1. Food service sales slowed significantly during the first half of this financial year as a result of lockdowns and staff shortages in the sector. We are now experiencing an increase in demand;
2. Government rules limited the promotional activities the Company was able to undertake in grocery channels;
3. Logistics problems experienced by grocery chains during the Omicron crisis impacted our sales in that channel. We are now beginning to see a lift in demand from that sector;
4. Health regulations also made operations extremely challenging. Significant staff shortages were experienced as the company and its staff were compliant with close contact isolation rules;
5. Transport and logistics and supply chains for equipment were all impacted by pandemic conditions. Imported equipment on order remains undelivered and placed operations behind schedule.

Newly developed grow-out units were stocked to capacity during the first half of the year. Development of additional units is slightly behind schedule at present as a result of the wet conditions during early summer. We expect to complete development of these new units in time for stocking next summer.

Successful capital raising activities occurred in the first half of the year placing the company in a strong financial position to manage future growth.

The Company continues to plan on achieving a growth trajectory to meet its production target of 10,000 tonnes by 2030.

Financial Review

The Company reported a loss for the half-year ended 31 December 2021 of \$3,042,220 (31 December 2020: profit \$542,015.)

Significant Events after Balance Date

90,000,000 ordinary shares were issued from the exercise of 75,000,000 options and 15,000,000 performance rights. This resulted in \$5,625,000 being raised from option holders after balance date.

No other significant events have occurred since balance date.

Significant Changes in the State of Affairs

Other than the activities described in the Directors report above, there were no other significant changes in the state of affairs of the Company in the six months ended 31 December 2021.

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the accounts.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2021 has been received.

Indemnification and Insurance of Officers and Directors

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

Under the Company's directors' and officers' liability insurance policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the Corporations Act 2001 to exempt it from the requirements to disclose the nature of the liability insured against and the premium amount of the policy.

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

The company is an entity to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* applies and, accordingly, amounts in the directors' report have been rounded to the nearest dollar.

Signed in accordance with a resolution of the Directors.



Ross Anderson
Chairman

28 February 2022

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS
ACT 2001 TO THE DIRECTORS OF
MURRAY COD AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 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.P. Keenan FCPA

Registered Company Auditor 156228
135 Yambil Street Griffith NSW 2680

Dated this 28th day of February 2022

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MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated Group	
		Half-year Ended 31-Dec-21 \$	Half-year Ended 31-Dec-20 \$
Continuing operations			
Revenue	3	4,842,582	4,191,352
Other Income	3	127,436	351,470
Net gain from change in fair value of biological assets		2,310,868	2,819,700
Employee benefits expense		(2,496,329)	(1,438,979)
Cost of sales - equipment		-	(33,206)
Cost of sales - fish		(4,788,542)	(2,633,574)
Cost of sales - processing plant		(14,521)	(12,693)
Cost of sales - cattle		(14,681)	-
Administrative and other expenses		(872,008)	(501,230)
Fish farm operating expenses		(1,706,007)	(1,339,012)
Depreciation and amortisation expense		(712,633)	(588,547)
Share based payment expense		(639,332)	(23,809)
Net Profit/(Loss) before Income tax	4	(3,963,167)	791,472
Tax expense	5	920,947	(249,457)
Net Profit/(loss) from continuing operations		(3,042,220)	542,015
Discontinued operations		-	-
Net Profit/(Loss) for the year after tax		(3,042,220)	542,015
Other comprehensive income		-	-
Total other comprehensive income for the period		-	-
Total Net Profit/(loss) and other comprehensive income for the period attributable to Members		(3,042,220)	542,015
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(0.511) cents	0.096 cents
Diluted earnings per share (cents)		(0.429) cents	0.081 cents
From continuing operations:			
Basic earnings per share (cents)		(0.511) cents	0.096 cents
Diluted earnings per share (cents)		(0.429) cents	0.081 cents
From discontinued operations:			
Basic earnings per share (cents)		-	-
Diluted earnings per share (cents)		-	-

The accompanying notes form part of these financial statements.

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Consolidated Group	
		As at 31-Dec-21	As at 30-Jun-21
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	29,331,748	3,468,432
Trade and other receivables	7	1,302,217	526,912
Inventories	8	17,679,043	15,486,926
Other assets	9	986,288	676,473
TOTAL CURRENT ASSETS		49,299,296	20,158,743
NON-CURRENT ASSETS			
Other financial assets		95	95
Property, plant and equipment	10	14,559,715	11,140,041
Deferred tax assets	14	1,782,709	775,601
Right of use assets	20	5,046,707	3,776,515
Intangible assets	11	4,884,017	4,760,267
TOTAL NON-CURRENT ASSETS		26,273,243	20,452,519
TOTAL ASSETS		75,572,539	40,611,262
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	2,427,896	1,217,794
Lease liability	20	321,710	231,629
Borrowings	13	615,558	573,219
Provisions	15	341,027	307,935
TOTAL CURRENT LIABILITIES		3,706,191	2,330,577
NON-CURRENT LIABILITIES			
Lease liability	20	4,848,473	3,643,538
Borrowings	13	5,458,529	2,213,178
Deferred tax liabilities	14	614,682	528,521
TOTAL NON-CURRENT LIABILITIES		10,921,684	6,385,237
TOTAL LIABILITIES		14,627,875	8,715,814
NET ASSETS		60,944,664	31,895,448
EQUITY			
Issued capital		69,847,777	37,878,336
Reserves		5,396,001	5,274,006
Retained earnings		(14,299,114)	(11,256,894)
TOTAL EQUITY		60,944,664	31,895,448

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Share Capital		Reserves				TOTAL
		Ordinary	Deferred Ordinary Shares	Retained Earnings	Asset Revaluation Reserve	Option Reserve	Performance Rights Reserve	
Consolidated Group								
Balance at 1 July 2020		37,410,131	-	(10,092,611)	582,950	3,334,895	750,000	31,985,365
Cumulative adjustment upon change in accounting policy		-	-	-	-	-	-	-
Balance at 1 July 2020 restated		37,410,131	-	(10,092,611)	582,950	3,334,895	750,000	31,985,365
Profit or (loss) and other comprehensive income								
Profit or (loss) for the year		-	-	542,015	-	-	-	542,015
Other comprehensive income for the year		-	-	-	-	-	-	-
Total profit or (loss) and other comprehensive income for the year		37,410,131	-	(9,550,596)	582,950	3,334,895	750,000	32,527,380
Other								
Shares issued during the year		110,384	-	-	-	-	-	110,384
Options exercised or lapsed		-	-	-	-	(34,133)	-	(34,133)
Transaction costs on share issue		(1,921)	-	-	-	-	-	(1,921)
Transfer unrealised gain on asset to Asset Revaluation Reserve		-	-	-	97,800	-	-	97,800
Total other		108,463	-	-	97,800	(34,133)	-	172,130
Balance at 31 December 2020		37,518,594	-	(9,550,596)	680,750	3,300,762	750,000	32,699,510
Consolidated Group								
Balance at 1 July 2021		37,878,336	-	(11,256,894)	698,800	3,825,206	750,000	31,895,448
Cumulative adjustment upon change in accounting policy		-	-	-	-	-	-	-
Balance at 1 July 2021 restated		37,878,336	-	(11,256,894)	698,800	3,825,206	750,000	31,895,448
Profit or (loss) and other comprehensive income								
Profit or (loss) for the year		-	-	(3,042,220)	-	-	-	(3,042,220)
Other comprehensive income for the year		-	-	-	-	-	-	-
Total profit or (loss) and other comprehensive income for the year		37,878,336	-	(14,299,114)	698,800	3,825,206	750,000	28,853,228
Transactions with owners and other transfers								
Shares issued during the year		33,239,550	-	-	-	-	-	33,239,550
Transaction costs on share issue		(1,270,109)	-	-	-	-	-	(1,270,109)
Options exercised or lapsed		-	-	-	-	(623,847)	-	(623,847)
Options issued and expensed during the year		-	-	-	626,692	-	-	626,692
Transfer unrealised gain on asset to Asset Revaluation Reserve		-	-	-	119,150	-	-	119,150
Total other		31,969,441	-	-	119,150	2,845	-	32,091,436
Balance at 31 December 2021		69,847,777	-	(14,299,114)	817,950	3,828,051	750,000	60,944,664

The accompanying notes form part of these financial statements.

MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated Group	
		Half-year Ended 31-Dec-21 \$	Half-year Ended 31-Dec-20 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and grants		3,837,947	3,517,210
Payments to suppliers and employees		(8,501,585)	(4,992,904)
Interest received		-	1,067
Net cash provided by (used in) operating activities	17	<u>(4,663,638)</u>	<u>(1,474,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of trademarks		(4,600)	(13,747)
Purchase of property, plant and equipment		(3,978,109)	(1,473,956)
Disposal of property, plant and equipment		8,036	231,291
Net cash provided by (used in) investing activities		<u>(3,974,673)</u>	<u>(1,256,412)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		32,626,870	76,250
Capital costs on issue of share capital		(1,270,108)	(1,922)
Proceeds from borrowings		3,634,792	356,476
Repayment of borrowings		(345,982)	(120,583)
Repayment of lease principal		(142,824)	(87,926)
Net cash provided by (used in) financing activities		<u>34,502,748</u>	<u>222,295</u>
Net increase in cash held		<u>25,864,437</u>	<u>(2,508,744)</u>
Cash and cash equivalents at beginning of financial year		3,434,576	6,071,596
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at the end of the period	6	<u>29,299,013</u>	<u>3,562,852</u>

The accompanying notes form part of these financial statements

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

These consolidated financial statements and notes represent those of Murray Cod Australia Limited and Controlled Entities (the "consolidated group" or "group").

The financial statements were authorised for issue on the 28th February 2022 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Murray Cod Australia Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the following half-year.

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, financial assets and financial liabilities.

(b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(c) New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period, but determined that their application to the financial statements is either not relevant or not material.

Note 2 : Changes in Accounting Policies

There has been no changes to accounting policies.

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note 3 Revenue and Other Income

	Note	Consolidated Group	
		Half-year Ended 31-Dec-21 \$	Half-year Ended 31-Dec-20 \$
Revenue from continuing operations			
Sales revenue			
- Fish Sales		4,683,497	3,637,219
- Cattle Sales		49,843	-
- Equipment Sales		1,300	1,560
		4,734,640	3,638,779
Other revenue			
- Interest received		-	1,067
- Insurance proceeds		41,193	506,622
- Sundry income		66,749	44,884
		107,942	552,573
Total revenue		4,842,582	4,191,352
Other Income			
- Subsidies and rebates		127,436	351,470
- R & D Tax Incentive		-	-
Total other income		127,436	351,470
Total revenue and other income		4,970,018	4,542,822

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**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note 4 Profit for the Year

	Note	Consolidated Group	
		Half-year Ended 31-Dec-21 \$	Half-year Ended 31-Dec-20 \$
Profit/(Loss) before income tax from continuing operations includes the following specific expenses:			
Expenses			
Interest Expense on Financial Liabilities			
- Related parties		-	-
- Unrelated parties		102,798	49,906
Total Finance Cost		<u>102,798</u>	<u>49,906</u>
Interest on Lease Liability		89,607	46,436
Depreciation and amortisation		544,984	490,289
Depreciation right of use asset		<u>167,649</u>	<u>98,258</u>
		<u>712,633</u>	<u>588,547</u>
Superannuation		193,678	102,735

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	
		Half-year Ended 31-Dec-21 \$	Half-year Ended 31-Dec-20 \$
a) The components of tax expense (income) comprise:			
Current Tax		-	-
Deferred Tax	14	<u>(920,947)</u>	<u>249,457</u>
		<u>(920,947)</u>	<u>249,457</u>
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 25% (2020: 26%)		(990,792)	205,783
Add: Tax effect of			
- non-allowable items		166,769	94,925
- decrease in corporate tax rate		<u>29,831</u>	<u>12,459</u>
		<u>(794,192)</u>	<u>313,167</u>
Less: Tax effect of			
- deductible expenses capitalised on balance sheet or otherwise claimable		92,187	42,182
- income not assessable		14,240	12,256
- decrease in corporate tax rate		<u>20,328</u>	<u>9,272</u>
Income tax attributable to entity		<u>(920,947)</u>	<u>249,457</u>

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**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note 6 Cash and Cash Equivalents

		Consolidated Group	
		As at 31-Dec-21	As at 30-Jun-21
Note		\$	\$
	Cash at bank and on hand	29,331,748	3,468,432
	Short-term bank deposits	-	-
		29,331,748	3,468,432

The effective interest rate on short-term bank deposits was 0%.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

		Half-year Ended 31-Dec-21	Half-year Ended 31-Dec-20
	Cash and cash equivalents	29,331,748	3,582,103
13	Credit Cards	(32,735)	(19,251)
		29,299,013	3,562,852

A floating charge over cash and cash equivalents has been provided for certain debts.

Note 7 Trade and Other Receivables

		Consolidated Group	
		As at 31-Dec-21	As at 30-Jun-21
Note		\$	\$
CURRENT			
	Trade receivables	1,162,812	552,329
	Provision for impairment	(29,285)	(26,367)
		1,133,527	525,962
	Other receivables	683	950
	Business Activity Statement Refunds Receivable	168,007	-
	Total current trade and other receivables	1,302,217	526,912

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**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note 8 Inventories

	Note	Consolidated Group	
		As at 31-Dec-21	As at 30-Jun-21
		\$	\$
CURRENT			
At cost:			
Fish Feed and Chemical Inventory		987,217	398,705
Livestock - Cattle		34,264	15,011
Processing Plant Inventory		107,640	55,522
Cage Building Stock and Parts		219,726	164,562
		<u>1,348,847</u>	<u>633,800</u>
At net realisable value:			
Biological Assets		16,330,196	14,853,126
Total Inventory		<u>17,679,043</u>	<u>15,486,926</u>

Biological Assets

	Note	Consolidated Group	
		As at 31-Dec-21	As at 30-Jun-21
		\$	\$
Biological Assets			
Murray Cod Broodstock		1,114,660	835,695
Murray Cod Fingerlings		2,970,433	1,858,713
Murray Cod Pond Fish		11,845,103	12,158,718
Golden Perch Fingerlings		280,000	-
Silver Perch Fingerlings		120,000	-
		<u>16,330,196</u>	<u>14,853,126</u>
Carrying amount at the beginning of the period		14,853,126	12,175,856
Purchases		1,005,546	2,529,785
Growing Costs		1,293,188	2,027,757
Decreases due to harvest for sale		(3,132,532)	(6,419,605)
Gain from physical changes at fair value		2,310,868	4,539,333
Carrying amount at the end of the period		<u>16,330,196</u>	<u>14,853,126</u>

Note 9 Other Assets

	Note	Consolidated Group	
		As at 31-Dec-21	As at 30-Jun-21
		\$	\$
CURRENT			
Prepayments and deposits		986,288	676,473
		<u>986,288</u>	<u>676,473</u>

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**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note 10 Property, Plant and Equipment

	Note	Consolidated Group	
		As at 31-Dec-21 \$	As at 30-Jun-21 \$
LAND AND BUILDINGS			
Freehold land at:			
- 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		(20,839)	(14,589)
Total buildings		229,161	235,411

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 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 the purchase at the time of acquisition.

During the 2021 Financial Year the Directors instructed valuers to prepare a valuation on all 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 complete the valuations. The valuations are expected to be completed prior to 30 June 2022. 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		12,754,691	8,796,623
Accumulated depreciation		(2,773,766)	(2,278,543)
		9,980,925	6,518,080
At valuation		396,350	396,350
Accumulated depreciation		(123,102)	(86,181)
		273,248	310,169
Total Plant and Equipment		10,254,173	6,828,249
Total Property, Plant and Equipment		14,559,715	11,140,041

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**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note 11 Intangible Assets

	Consolidated Group		
	As at 31-Dec-21	As at 30-Jun-21	
Note	\$	\$	
Water Rights and Licences at Market Value	2,704,400	2,585,250	
Trademarks at Cost	54,450	49,850	
Intellectual property at cost	12,000	12,000	
Goodwill	2,113,167	2,113,167	
Total Intangible Assets	4,884,017	4,760,267	
	Goodwill	Water Rights & Licences	Trademarks & Intellectual Property
Year ended 30 June 2021			
Balance at the beginning of the year	2,113,167	2,469,400	44,513
Additions	-	-	17,337
Revaluation	-	115,850	-
Closing value at 30 June 2021	2,113,167	2,585,250	61,850
Half Year ended 31 December 2021			
Balance at the beginning of the year	2,113,167	2,585,250	61,850
Additions	-	-	4,600
Revaluation	-	119,150	-
Closing value at 31 December 2021	2,113,167	2,704,400	66,450

Water Licences held by the company are classified as intangible assets. The licences are issued by the NSW Government and by Murrumbidgee Irrigation Limited and provide the company 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 licences 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 company revalues the water licences each half year in accordance with the prevailing market prices at balance date. The value of annual allocations is not accounted for by the company as such allocations expire on 30 June each year.

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 on 30 April 2020. There is no impairment of goodwill in the 2021 year or the six months to 31 December 2021. The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations.

MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 12 Trade and Other Payables

	Note	Consolidated Group	
		As at 31-Dec-21 \$	As at 30-Jun-21 \$
CURRENT			
Unsecured liabilities			
Trade payables		1,301,141	894,337
Sundry payables and accrued expenses		1,126,755	323,457
		<u>2,427,896</u>	<u>1,217,794</u>
Financial liabilities classified as trade and other payables			
Trade and other payables			
- Total current		2,427,896	1,217,794
- Total non-current		-	-
		<u>2,427,896</u>	<u>1,217,794</u>

Note 13 Borrowings

	Note	Consolidated Group	
		As at 31-Dec-21 \$	As at 30-Jun-21 \$
CURRENT			
Secured Liabilities			
Equipment Finance Facilities		582,823	539,363
Credit Card Facilities		32,735	33,856
		<u>615,558</u>	<u>573,219</u>
NON-CURRENT			
Secured Liabilities			
Equipment Finance Facilities		1,927,332	2,213,178
Westpac Bank Bill Loan		3,531,197	-
		<u>5,458,529</u>	<u>2,213,178</u>
Total Borrowings		<u>6,074,087</u>	<u>2,786,397</u>

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**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note 14 Tax

	Note	Consolidated Group	
		Half-year Ended 31-Dec-21	Half-year Ended 31-Dec-20
		\$	\$
CURRENT			
Income tax payable		-	-
NON-CURRENT			
Deferred tax liabilities			
Property, Plant and equipment - tax allowance and revaluations			
Opening balance		528,521	507,919
Charged to income		106,489	12,150
Change in tax rates		(20,328)	(27,705)
Closing balance		<u>614,682</u>	<u>492,364</u>
Deferred tax assets			
Accrued expenses, provisions and carry forward losses			
Opening balance		775,601	566,345
Charged to income		1,036,939	(234,120)
Change in tax rates		(29,831)	(30,892)
Closing balance		<u>1,782,709</u>	<u>301,333</u>

Note 15 Provisions

	Note	Consolidated Group	
		As at 31-Dec-21	As at 30-Jun-21
		\$	\$
CURRENT			
Employee Benefits			
Opening balance at 1 July		307,935	192,222
Additional provisions		33,092	115,713
Closing balance		<u>341,027</u>	<u>307,935</u>
Consolidated Group			
Analysis of Total Provisions			
		As at 31-Dec-21	As at 30-Jun-21
		\$	\$
Current		341,027	307,935
Non-current		-	-
		<u>341,027</u>	<u>307,935</u>

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**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note 16 Contingent Liabilities and Contingent Assets

There were no contingent assets or liabilities outstanding at 31 December 2021 (30/6/21: nil)

Note 17 Cash Flow Information

	Note	Consolidated Group	
		Half-year Ended 31-Dec-21	Half-year Ended 31-Dec-20
		\$	\$
(a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax			
Profit after income tax		(3,042,220)	542,015
Non-cash flows in profit			
Depreciation and Amortisation		712,633	605,547
Loss on disposal of plant		1,974	
Share Based Payment		639,332	23,809
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
(Increase)/decrease in trade and term receivables		(775,305)	(644,332)
(Increase)/decrease in other assets		(330,182)	(47,531)
(Increase)/decrease in inventories		(2,192,117)	(2,609,173)
Increase/(decrease) in trade payables and accruals		1,210,102	305,271
Increase/(decrease) in deferred taxes payable		86,161	(15,556)
(Increase)/decrease in deferred taxes receivable		(1,007,108)	265,012
Increase/(decrease) in provisions		33,092	100,311
Cash flows from operating activities		<u>(4,663,638)</u>	<u>(1,474,627)</u>

Note 18 Events after the Reporting Period

90,000,000 ordinary shares were issued from the exercise of 75,000,000 options and 15,000,000 Performance rights. This resulted in \$5,625,000 being raised from option holders after balance date.

No other significant events have occurred since balance date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 19 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 licences

The Group measures some items of freehold land and buildings at fair value on a recurring basis after initial recognition.

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 prices 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 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. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	31 December 2021			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements	Note	\$	\$	\$
Inventory				
Inventory at fair value through profit or loss				
— Biological Assets - current		-	-	16,330,196
Total inventory recognised at fair value on a recurring basis		-	-	16,330,196
Non-financial assets				
Water Rights and licences		2,704,400	-	-
Total non-financial assets recognised at fair value on a recurring basis		2,704,400	-	-
Non-recurring fair value measurements				
Land and Buildings		-	4,305,542	-
Total non-financial assets recognised at fair value on a non-recurring basis		-	4,305,542	-
Total non-financial assets recognised at fair value		2,704,400	4,305,542	-

- (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 31 December 2021. 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 complete their valuations as at 31 December 2021.
- (ii) 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 not been obtained due to the COVID-19 issues mentioned in (i) above.
- (iii) The Land and Buildings acquired at Euberta as part of the purchase of the 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 not been obtained due to the COVID-19 issues mentioned in (i) above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	30 June 2021			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements	Note	\$	\$	\$
Inventory				
Inventory at fair value through profit or loss				
—	Biological Assets - current	-	-	14,853,126
Total inventory recognised at fair value on a recurring basis		-	-	14,853,126
Non-financial assets				
	Water Rights and licences	2,585,250	-	-
Total non-financial assets recognised at fair value on a recurring basis		2,585,250	-	-
Non-recurring fair value measurements				
	Land and Buildings	-	4,311,792	-
Total non-financial assets recognised at fair value on a non-recurring basis		-	4,311,792	-
Total non-financial assets recognised at fair value		2,585,250	4,311,792	-

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

Description	Fair Value (\$) at 31 Dec 2021	Valuation Technique(s)	Inputs Used
Non-financial assets		Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
Land and Buildings	4,305,542		

- 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.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

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

Valuation processes

The biological assets of the company are considered Level 3 and are valued internally by the company 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 (100 gram stages). The life cycle of the fish is approximately 2 years to minimum initial harvest size. The value per fish is based on the 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 Fish is recognised as income/(expense) in the reporting period. There has been no change in the fair value per unit of Murray Cod from the 30 June 2021 to 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 20: Right of Use Assets

The Group's lease portfolio includes land and buildings. These leases have an average term of 14 years.

Options to Extend or Terminate: The option to extend or terminate are contained in the clauses of several property leases in the Group. These clauses provide the Group with opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable 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.

AASB 16 related amounts recognised in the balance sheet

	Note	Consolidated Group	
		As at 31-Dec-21 \$	As at 30-Jun-21 \$
Right of Use Assets: Leased Land and Buildings			
Opening Balance		3,776,515	1,828,113
Leases commenced		1,437,841	2,168,938
Depreciation expense for the half-year ended		(167,649)	(220,536)
Net Carrying Amount		<u>5,046,707</u>	<u>3,776,515</u>
Current		-	-
Non-Current		<u>5,046,707</u>	<u>3,776,515</u>
Total		<u>5,046,707</u>	<u>3,776,515</u>
Lease Liabilities: Leased Land and Buildings			
Current		321,710	231,629
Non-Current		<u>4,848,473</u>	<u>3,643,538</u>
TOTAL		<u>5,170,183</u>	<u>3,875,167</u>
		Half-year Ended 31-Dec-21	Half-year Ended 31-Dec-20
AASB 16 related amounts recognised in the statement of profit or loss			
Depreciation Charge related to right-of-use assets		167,649	98,258
Interest expense of lease liabilities		89,607	46,436

The company has 6 property leases:

- Farm 1444c Burley Griffin Way Bilbul (known as "Molloys"), lease is currently for Land, including a residence, and 52 ML's of High Security Water and 41 ML's of General security water. The lease is a 5 year lease with an option to renew in 5 years and then again in 10 years. The Lease commenced August 2017. Lease payments are indexed annually in accordance with the CPI.
- Farm "Carawatha" Irrigation Way Widgegelli (known as "McFarlanes"). Lease is currently for land. The lease commenced 1st May 2018 and is a 15 year lease. Lease payments are indexed annually in accordance with the CPI.
- The property being Shed 1/15A Lenehan Road Griffith has been leased to operate the Processing Plant. The lease commenced 1st October 2018 and is for a 3 year term with an option to renew for a further 3 years. The option to renew on 1st October 2021 was taken for a further 3 year term.
- The property being the Whitton site has been leased to build and operate 35 ponds with access to Murrumbidgee Irrigation water supply. The lease commenced 1st October 2020 and is for a 10 year term with an option to renew for a further two periods of 5 years.
- The property being 2-4 Lasscock Road Griffith has been leased to operate as a Head Office, workshop and distribution site. The Lease commenced 1st October 2021 and is a 3 year lease with an option to renew for two further periods of 3 years.
- The property being the cold storage premises known as Unit 4, 120 Wakaden Street Griffith. The Lease commenced 9th September 2021 and is a 3 year lease with an option to renew for 3 years.

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Murray Cod Australia Limited, the directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards, 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 31 December 2021 and of the performance for the six months ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Director

**Ross Anderson
Chairman**

Dated this 28th Day of February 2022

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
AND CONTROLLED ENTITIES**

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

Report on the Half-Year Consolidated Financial Report

I have reviewed the accompanying half-year financial report of Murray Cod Australia Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on my review, which is not an audit, I have not become aware of any matter that makes me believe that the accompanying financial report of Murray Cod Australia Limited does not comply with the *Corporations Act 2001* including:

- (a) Giving a true and fair view of Murray Cod Australia Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date;
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

I conducted my review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. My responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the annual 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 review report.

Griffith

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Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express a conclusion on the half-year financial report based on my review. ASRE 2410 requires me to conclude on whether I have become aware of any matter that makes me believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.



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

Dated this 28th day of February 2022

Griffith

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