

Annual Report 2023

Murray Cod Australia Ltd and Controlled Entities

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CORPORATE DIRECTORY

Directors

Martin Priestley
Ross Anderson
Mathew Ryan
George Roger Commins

Company Secretaries

Wendy Dillon
Brett Tucker

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Solicitors

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250 St Georges Terrace Perth WA 6000

Bankers

Westpac Banking Corporation
242-244 Banna Ave Griffith NSW 2680

Auditors

RSM Australia Partners
12 Anderson St West Ballarat VIC 3350

Website

www.aquna.com

Financial Report For The Year Ended 30 June 2023
Murray Cod Australia Limited and Controlled Entities
ABN 74 143 928 625

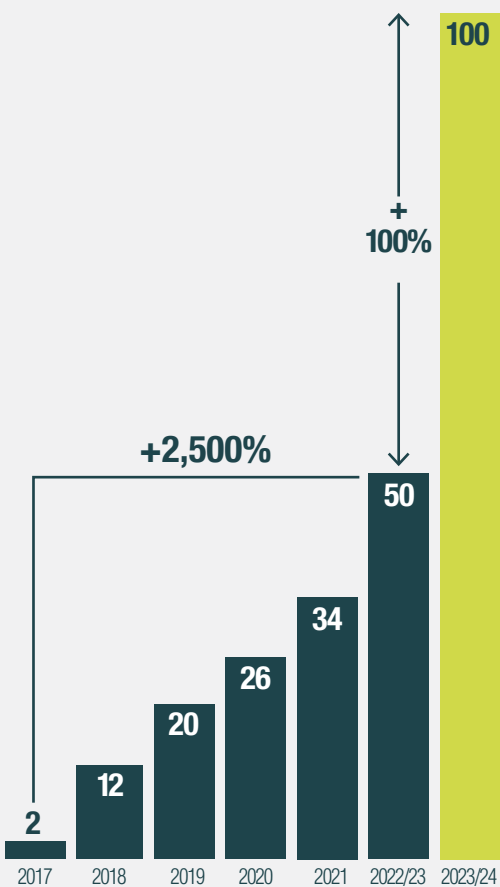




OUR FINANCIAL PERFORMANCE AT A GLANCE

**MCA IS ON AN
EXCITING GROWTH
AND EXPANSION
TRAJECTORY.**

Number of ponds built per
calendar year including
50 free range ponds
planned to be built during
2023/2024 calendar year.



REVENUE

Including net increase in biological inventory

↑27.33%
— TO —
\$25.11 MILLION
(FY22: \$19.72 MILLION)



OUR YEAR IN REVIEW

**AQUNA
MURRAY
COD IS NOW
FOUND IN
THE SEAFOOD
CONVENIENCE
SECTION IN:**

130

Woolworths 

Selected stores in Victoria + NSW

39

coles

Selected stores in Victoria



**HIGH-
PENETRATION
OF AQUNA
HAS BEEN
ACHIEVED
IN LEADING
SYDNEY AND
MELBOURNE
RESTAURANTS,
BRINGING
EXPOSURE TO
OUR BRAND
AS A LUXURY
FISH.**

HATCHERY PERFORMANCE

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

**800,000
MURRAY COD
FINGERLINGS**

**260,000
SILVER PERCH
FINGERLINGS**

**393,000
GOLDEN PERCH
FINGERLINGS**

**300
LARGER
MURRAY COD
FISH (300G-500G)**
to the local Community -
Lake Wyangan Lake

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 self contained units within the geography of the Murray-Darling basin - 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. In January 2017, Murray Cod Australia Limited, was publicly listed on the Australian Securities Exchange (MCA: ASX).

MCA is branded as Aquna Sustainable Murray Cod.

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 2023. Year-on-year, MCA seeks to continuously improve the way we communicate long-term value to our shareholders and other stakeholders.

Reporting framework

The 2023 Financial Report including the Director's Report and Remuneration Report on pages 1-10 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

January 2017 Murray Cod Australia listed on the Australian Stock Exchange	October 2017 Bilbul site expanded from 6 to 12 ponds
February 2018 Griffith-based McFarlane's ponds stocked	May 2018 Signing of Heston Blumenthal as brand advocate
June 2018 Launched Aquna Sustainable Murray Cod branding	July 2018 Commenced exporting to Hong Kong
August 2018 Commenced exporting to Japan	November 2018 Awarded Excellence in Innovation at the NSW Business Chamber Awards
November 2018 Murray cod listed as a 'better choice' in the Sustainable Seafood Guide	April 2019 Commenced exporting to the USA
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
November 2019 Awarded NSW Business of the Year and Excellence in Sustainability at the NSW Business Chamber Awards	October 2019 Griffith-based retail store opened
February 2020 Commenced exporting to the United Kingdom and Europe	December 2019 Launched Aquna Hot Smoked Murray Cod
June 2020 Commenced selling live Aquna Sustainable Murray Cod domestically	April 2020 Purchase of second hatchery at Euberta, New South Wales
November 2021 Launched into Harris Farm Markets	October 2020 Stocked stage one of Whitton-based super-site
June-September 2022 Land purchase for the construction of the Gogelderie Hatchery	July 2021 Launched into Woolworths retail
October 2022 Award for Sustainability at the Premier's NSW Export Awards	May 2022 Launched into select Coles Supermarkets in Victoria
July 2023 Launch of Aquna Gold Caviar	September 2022 Awarded Champion at the Sydney Royal Fine Food Show for Hot Smoked Aquna Murray Cod
	April 2023 Stage 2 of Whitton-based super-site completed

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OUR CORE PRINCIPLES

At Aquana Sustainable Murray Cod, we're driven to make an impact on people's plates — inspiring their wider lives — by producing a great-tasting, rare, recoverable fish through continuously improving our overall performance, as guided by our four brand principles.

In FY23, here's how we applied our principles to build on our brand strength.



QUALITY

Our commitment to exceeding expectations in taste and consistency

Building strong relationships with key retailers in product development and identifying the needs and expectations of our customers.



INTEGRITY

Our strong culture and values define our authenticity in the market

Long-term investment in our work culture, equality, and developing talent that will go on to be stewards of the aquaculture industry.



INNOVATION

Our new ideas help us get better in everything we do

Through application of science-based innovation and ethical farming practices in food production we have moved to the use of Ace Aquatec in-water humane stunner technology to reduce fish stress during harvesting.



SUSTAINABILITY

Our dedication to sustainability is a catalyst for change

Continuing contribution to restocking the local wild stock of Murray cod, releasing fingerlings into the Murray-Darling river system.



CHAIR'S MESSAGE

I am proud to present the Murray Cod Australia Limited (MCA) annual report for the 2023 financial year — a year filled with many highlights and great results, despite the ongoing challenges caused by the COVID-19 pandemic.

Last season's performance in grow-out was outstanding with improvements in feeding methods and health treatment, leading to excellent growth in biomass.

Sales volumes suffered significantly as a result of lower numbers of sale-sized fish being available. This was predominantly a result of conservative stocking undertaken during the COVID-19 pandemic. It takes 2 to 3 years to grow a premium fish and stocking to grow-out during the pandemic was insufficient to meet the demand we have experienced in the past year.

However, I am pleased to report we had a record spawning last summer and have sufficient juvenile fish in stock to be on track for our production capacity to reach our target of 10,000 tonnes as part of our 2030 Growth Strategy.

Our continued drive in sustainability has been pleasing with a specific committee formed during the year to continue our excellent work in this area.

Some of the notable activities and highlights this year include:

1. **Continued strong growth in price** with our fish prices rising significantly more than inflation. Whole fish, head on gut in, continued its upward trend from \$20.90 March 2022 to \$24 September 2023 with larger fish (2.5kg+) sold at \$26/kg. This is in keeping with our stated goal to achieve price increases of 25% in excess of inflation by the year 2030.
2. **Grocery channels have been maintained** in major supermarkets despite lower supply being available to meet increasing demand.
3. **Targeted digital marketing activities** driving demand for Aquana and connecting with a broader base of new customers.
4. **Export markets re-opened** in the USA and Europe waiting on supply of premium fish and the Japanese market a little slower to resume.
5. **Continued development of out-of-season spawning** to complement the regular spawning season.
6. **Approval of development application** at Gogeldrie hatchery site with first earthworks having already commenced.

7. **Development free-range grow-out system** which is aimed at saving significant capital and operating expenditure.
8. **Increased brand awareness** and loyalty through engagement programs with chefs and wholesalers.
9. **Development of Aquana Gold Caviar** as a luxury food product which has recently been released to the market.
10. **Strong balance sheet** with high cash levels and unused debt facilities available.

In delivering the FY23 results, it's evident the commitment to our principles of quality, integrity, innovation and sustainability has underpinned MCA's strong performance. We have seen surging interest in our Aquana Sustainable Murray Cod brand, as we work towards our goal of making Aquana the premium fish of choice in Australia and around the world.

On behalf of the Board of Directors, I want to extend my gratitude for the outstanding effort, focus and dedication shown by all of our employees who share our vision, as we continue to improve our methods of producing luxury fish products using the most sustainable farming practices possible.

I also wish to acknowledge our shareholders who are displaying the patience to maintain their holdings whilst we implement our growth plans. It takes time to grow a quality business. We plan to continue increasing our stocking levels in coming seasons as we build more capacity. Our focus on our targets is continually enhanced as our team increase the pace of innovation. We remain extremely positive on the outlook for the company.

MCA is on an exciting growth and expansion trajectory. 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

“

I wish to acknowledge our shareholders who are displaying the patience to maintain their holdings whilst we implement our growth plans. It takes time to grow a quality business.

— Ross Anderson, Chairman, Murray Cod Australia —

MANAGING DIRECTOR'S REPORT

Well what can we say about 2023. Just when we thought we had seen it all in 2022, with an unseasonable cool and wet summer, 2023 decided to outdo the previous year with the wettest year on record for the Griffith region. We saw 200mm of rain during October and well over 800mm for the year, resulting in unprecedented flooding in the region. Whilst this created many operational challenges for our staff, especially with site access for our hatcheries that are situated closer to the rivers, I am pleased to report that all of our sites continued to operate and contribute to reaching our targets for 2023.

The wet weather also put many restrictions on our development plans, with works that were scheduled to commence in August delayed until early January. To put this in perspective, the site that we needed to develop had 150mm of water sitting across it for quite sometime. This took a mammoth effort from our planning staff, construction crews and contractors to ensure we had operational dams for juvenile fish that were awaiting their grow-out ponds come summer.

The implications of the floods were massive to the region, with majority of our contractors suffering delays and changes to their programs. A huge thank you to everyone for accepting the hand we were dealt and getting the job done eventually.

Many staff shifted into roles that they were not traditionally used to, so special thanks to those guys that happily stepped away from the office, manned machines and did what was needed to get the jobs done. Not to mention our maintenance staff that jumped in and filled the construction gaps when contractors were not available.

A very special mention must also go to our juvenile production teams and hatchery staff who spent a large part of the summer driving to work on tractors as the roads were impassable. Also the guys that stayed in make shift accommodation on site at the height of the floods, we could not have achieved the result without your efforts.

The delay in site construction also meant that juvenile fish had to be held longer in our juvenile facilities, which created plenty of headaches around stocking and making room for our newly hatched FY23 fish, as the older fish are normally stocked out well before this time. To their credit, every timeline that was shifted, the juvenile team came up with a plan, got on with the job and made it happen, so hats off to you all.

With all the challenges the weather threw at us during the spring and early summer, our juvenile fish production was on target and we now have a large supply of small fish awaiting to be stocked out in second and third quarter FY24. On top of this we were able to stock out all the required fish for last summer.

Our grow out fish performance was also pleasing, with growth rates in line with our predictions for all of our existing grow-out fish, which will see more fish become available to market towards the end of FY24. However, we did see some growth suppression on smaller fish that were moved later in the season due to the need to hold them over in juvenile systems while pond construction was delayed.

Sales has been a particular focus over this 2023 financial year with growing demand for our products from all channels being greater than our ability to supply. This is extremely exciting for the company moving forward as it shows some of the returns we are receiving from our marketing investments. It also highlights the great job that our sales and marketing team are doing. The rebound in the restaurant trade from the COVID-19 lock-downs of the past has been particularly pleasing and has certainly placed strains on our fish supplies for those sales channels.

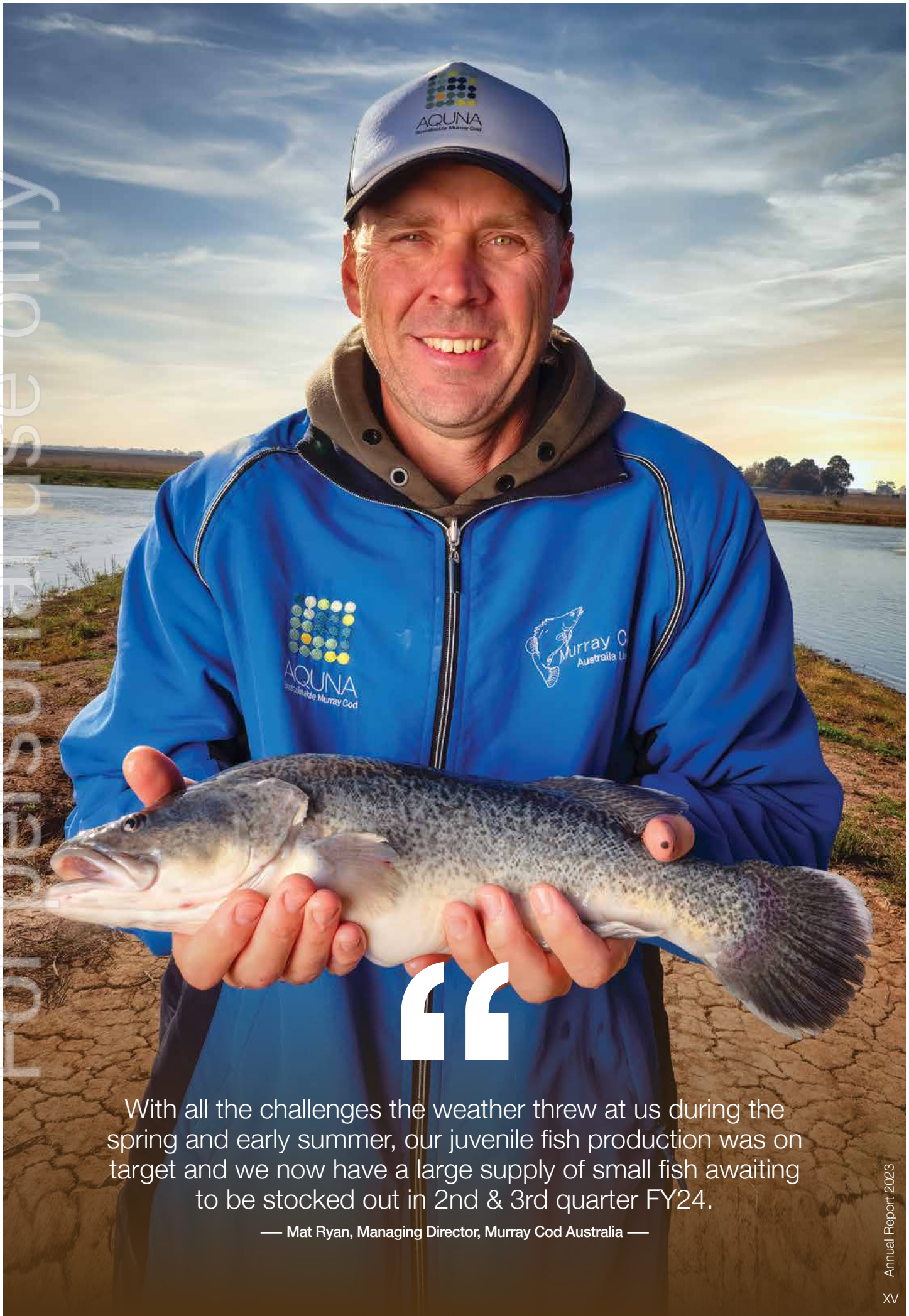
During the year we have achieved an overall increase of 9% in sales price which has helped to offset the lower volumes of fish that we had available for sale during this period.

Focus for the sales team over the coming year will be identifying which markets are we able to extract the maximum value out of while our fish are in limited volumes, whilst maintaining the maximum exposure for our brand to ensure that we have multiple opportunities to place fish once volumes start to increase. This market building exercise is very important given the large predicted jump up in volumes expected to come through as small fish that are currently in the water begin to reach market size.

Through FY23 we have also deployed new financial and fish management software, which will allow us to better plan for our coming growth and ensure that our growth modelling is as accurate as it possibly can be outside of climatic variation. It also allows us to tailor our reporting and data information in more detail so we can quickly identify issues and deficiencies and implement solutions in a timely manner.

Projects of note for the financial year were:

- Completion of Whitton stage 3 and commenced stockout of these ponds.
- DA lodged for next 78 pond development, situated approximately 3km from the existing Whitton site.
- DA lodged and approved for the new Gogeldrie hatchery site. Construction started Q1 FY24. This will be a staged development over the next few years depending on updated fingerling requirements.



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With all the challenges the weather threw at us during the spring and early summer, our juvenile fish production was on target and we now have a large supply of small fish awaiting to be stocked out in 2nd & 3rd quarter FY24.

— Mat Ryan, Managing Director, Murray Cod Australia —

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- DA lodged and approved to double the number of ponds at our juvenile site at Bilbul from 12 to 24. This will give us significantly more juvenile capacity for the coming years. Budgeting and planning for this site is now underway. Construction is not scheduled to commence until FY25.
- Planned upgrades to both our Euberta and Silverwater hatchery sites to continue our growth in larvae numbers to 2030.
- Launch of our Aquana Gold Caviar.
- Selective breeding program continues into its third year of gathering data and information on family groups and genetic traits within Murray cod. It is expected that some time in FY24 for our first selected broodstock to be moved to hatcheries for on growing.

Sustainability continues to be a specific area of importance to us. In FY23 areas of focus have been:

- Waste management and opportunities focused on the most efficient use of mortalities and processing plant waste and other waste products like algae and plant matter removed from ponds.
- Feed types and development. We are currently running multiple feed trails to give us a greater understanding of the intimate nutritional requirements of our fish, so we can not only tailor the most appropriate diet for fish health and growth, but also looking to utilise the most sustainable ingredients available that can be sourced from as close to our local area as possible
- Fish harvest trailer to manage fish welfare and stress during the harvest process. We are the only fish company in Australia to implement the ACE Aquatec stunning technology. This new technology allows us to pump our fish from the ponds where they are electrically stunned before bleeding. This minimises stress on the fish and ensures we can maximise fish quality and shelf life for our products.

- Our commitment to the rural communities in which we live and operate has been ongoing during FY23. We continue to recruit local staff and our HR department has had multiple initiatives to work with our local schools and education providers to upskill and provide employment to many young locals. The company is proud that many of our rising stars have come from local recruitment and have committed to furthering their education whilst maintaining employment with Murray Cod Australia.

Although a challenging year again dealt out by mother nature, it is pleasing to see our results for the FY23 are inline with our growth strategy for 2030. A strong focus on our juvenile production as the power house to continue to drive the growout side of the business sees us on track to achieve our future targets and aspirations.

Our financial performance is in line with our expectations given the fast growth strategy we are currently working towards and is reflective of the large amount of capital, ensuring we have the resources to cope with our planned biomass increases over the coming years.

Finally, I would like to thank our Board of Directors the MCA leadership team, our employees, shareholders, and local community of your continued support in what has been an eventful but extremely rewarding and progressive year for our company. It is a very exciting time to be a part of MCA as we have built a solid platform for the company to continue to grow towards its 2030 objectives.



Mathew Ryan, Managing Director



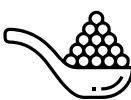
Harvesting

Built and designed mobile harvesting unit with in-water humane stunning technology.



Feed

Optimising growth performance by developing a specialised diet for Murray cod.



New product launch

Development of new Aquana Gold Caviar.

BUSINESS REPORT



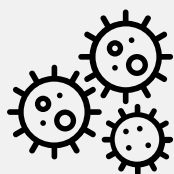
Strong statement of financial position

MCA continues to strengthen its core business, by investing capital to its primary objective in building significant biomass growth as well as investing in innovation and efficiencies to grow revenue.

Fish sales revenue fell less than 5% from FY2022 resulting from a fall of 18% in fish tonnes harvested. The fall was a result of limiting sales of fish in the 2.5KG+ range and reducing sales from the 1.5KG+ to build biomass of larger fish to supply significant market demand for these size ranges. The smaller loss in revenue was benefited from market willingness to accept higher prices for supply of large fish. We anticipate further upward trend in prices for larger fish 2.5KG+ as we estimate future strong demand will continue to exceed supply over the next few years. It is important to note to achieve fish target size of 2.5KG can take 2-3yrs.

MCA is in a strong position to fund its growth strategy with \$11.4M cash held at bank and NAB funding facility of \$2.5M overdraft of which only 352K was drawn and a term loan facility of \$2.9M undrawn.

Average weights were impacted by lower numbers of large fish available. Sale volumes were lower as we held back fish to build biomass in large fish, due to the high demand we were able to raise the price per-fish. 1kg whole fish were sold @ \$24/kg, with larger fish 2.5Kg+ selling for \$26/kg+ and live fish were sold from \$27/kg upwards.



Supply imbalances

Decisions to reduce stocking levels (against plans) during the summers of 2019/20 and 2020/21 during the pandemic has impacted our business in FY23, largely due to a reduction in availability of 2.5kg plus size fish and a sales strategy aimed at building biomass. With a two-plus year growth cycle for Murray cod, shortages of supply have been experienced in larger size grades within the reporting period. With 250% increase in spawnings, there should be a marked increase in saleable Aquna fish in the next 18-24 months.



Market development

In FY22/23, MCA's relationship remained solid with grocery retailers. Currently, Aquna Murray Cod 200g skin-on portions is ranged in 130 Woolworths premium stores in Sydney and Melbourne. In May 2022, Aquna Murray Cod launched into 39 select Coles supermarkets in Victoria. MCA was poised to launch into Coles NSW, however the rollout has been delayed until our current supply constraints with fish stocks ease.

A six-month social media campaign (Dec 2022 – May 2023) was implemented promoting recipes curated by fish master Josh Niland, to drive brand awareness and to demonstrate to consumers how to cook with Aquna.

Qualitative consumer research conducted in October 2023 highlighted the motivations for purchase; quality, taste and versatility. There was an overwhelming response of these attributes being superior to other pre-packaged seafood species.

Plans for expanding distribution and range via new product development is in the pipeline for FY24 and progress is being made in onboarding meal kit providers due to the growth of meal-kit delivery services.

Enterprising head chefs at fine-dining restaurants are driving the demand. They have a keen interest in high-quality, fresh, sustainable produce which they can prepare in creative ways that will contribute to the overall dining experience. Chefs are important influencers in educating wholesalers to support sustainable seafood, like Aquna's farmed Murray cod, by what they source and serve at their restaurants.

MCA has maintained solid relationships with wholesalers who service these premium, chef-hatted restaurants and hospitality groups who at this stage, remain our biggest source of value and volume. We have achieved a high penetration of Aquna on menus at leading Sydney and Melbourne restaurants, bringing exposure to our brand as a luxury fine-dining fish.

A significant number of "hatted" chefs in Australia have visited our farms and have become customers, using our product on their menus. Australian chefs such as Josh Niland from Saint Peter, Tetsuya Wakuda from Tetsuya's, and Clare Smyth from Oncore have highlighted the high culinary qualities of Aquna Sustainable Murray Cod.

Whilst exports are limited at present, demand from high-end chefs in Singapore, Dubai, Europe and USA is a very positive sign for future export development. Their preference is for larger fish and MCA is holding fish for the forthcoming season when growth rates usually accelerate.

In May 2023, MCA secured Foodlink Australia, a food service distribution business to extend our reach in NSW and the Australian Capital Territory (ACT). Foodlink has a database of over 5,000 customers. Discussions are back in place with PFD, since PFD Seafoods was taken over by Woolworths Group.

MCA / Aquana Murray Cod is an approved seafood supplier for the Australian Venue Co. (AVC) which has over 140 venues and has acquired the Sand Hill Road group of pubs.

M&G Seafoods are a new customer, servicing the Australian Turf Club. Aquana will be on menu at all Spring Racing Carnival dining menus. MCA has also secured the highly-anticipated opening of luxury W Hotel, Darling Harbour opening in October 2023.

Aquana Gold Murray Cod Caviar was launched in July 2023. A world-first caviar, made from Aquana Murray Cod roe, it cements Aquana's luxury position in the market and opens up doors for existing chef relationships and new users of Aquana. It is being marketed through Simon Johnson stores in Australia.

Onboarding discussions are in progress with Dnata, a leading supplier for the airlines industry.

We are now direct shipping into wholesalers in South Australia, Victoria, New South Wales, Queensland and Western Australia. Tasmania and Northern Territory supply will open in Q2 FY24.



Asset expansion

In FY23, sixteen new grow out ponds at the Whitton site were completed. Six ponds with round pens were stocked with fingerlings, and ten free range ponds will be stocked in spring once the water temperatures rise to the level deemed optimum for stocking.

Asset expansion continues to rapidly grow with a development application for the proposed development of 78 ponds, lodged by the property owner of our next proposed site late in the 2023 financial year. It is anticipated construction of 50 ponds will commence during the 1st half of FY24, pending development application approval.

The construction will consist of free-range ponds resulting in significant reduction in capital costs, potentially an estimated capital saving of \$90m over the next 8 years as we head towards 10,000 tonne target.

In FY23, land was purchased at Gogeldrie to develop our new hatchery. It is anticipated the new hatchery will significantly increase existing hatchery capacity by 300% or more.



People

Over the last financial year, MCA increased our workforce by 30% per cent of full-time and casual employees. Our people are key to delivering our objectives. As we grow and add new production sites and increase processing volume, having the ability to promote trained staff from within the organisation not only provides positive motivation, but also reduces the time 'to upskill' new site managers and staff reducing future operational costs.

Culture development is at the forefront at MCA. We are creating a culture in which staff are encouraged to progress their skill sets, building 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

The company achieved excellent spawning during the spring of 2022 achieving a 250% increase from the 2021 season. Our teams at the hatcheries performed exceptionally and were successful in reducing times required to move fish from hatchery to juvenile facilities. Considering the success of capital expenditure on the existing two hatcheries in the 2022 financial year and experiencing the impact of wet weather during the 2022 development at Whitton, the company had made the decision to further invest capital in our existing two hatcheries Silverwater and Euberta.

The additional capital investment provides several benefits, which include aiming for spawning capacity increase of 33%, mitigate construction delays to new Gogeldrie hatchery due to bad weather and spreading the capital costs on the new Gogeldrie hatchery over the next few years.

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

- 800,000 Murray cod fingerlings
- 260,000 Silver Perch fingerlings
- 393,000 Golden Perch fingerlings.

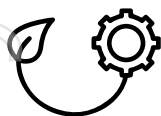
SUSTAINABILITY REPORT

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.

As a young business, we recognise we are at the early stages of this journey. This year we extended our commitment to sustainability and built upon our existing framework of three core objectives; environment, social and governance.

OUR PERFORMANCE



Innovation is at the forefront of our operations at MCA and will play a pivotal role in our continued sustainability success. This financial year has been an exciting year for innovation with a number of active research and development trials exploring a range of topics. These trials support us in continually improving the efficiency and sustainability of our farming methods. This financial year we are particularly excited by our industry-first larval weaning methods that will reduce the environmental footprint of our hatcheries and our feed trial focused on developing the first-ever Murray cod-specific diet.



Responsible production and consumption are nothing new for MCA. We have always prided ourselves on our commitment to sustainability and have built our business around this. This includes designing our farms with the ability to reuse the nutrient-rich water from our ponds to irrigate crops and pastures, ensuring Aquana Murray Cod is produced independently of wild populations, and continuously developing and implementing sustainable technology to conserve natural resources. However, we identify that there is always an opportunity to do better and are committed to the continual improvement of our sustainability performance. The introduction of Aquana Gold to our product range embodies this commitment. By finding value in what was previously a waste product we have improved the yield of our fish. For our remaining by-product, we worked with local businesses to ensure that 100% of organic waste from our processing plant was recycled in the 2023 financial year.



One of the biggest challenges facing the global aquaculture industry is the impact of feeds on marine environments. We are working with our feed suppliers to find ways of reducing marine ingredients in our feeds. In the meantime, we are only working with feed suppliers who acquire marine ingredients from sustainable sources, including by-products from responsibly harvested fisheries.



At MCA we recognise the importance of the land we work on and embrace our role as stewards. In the 2023 financial year we continued our participation in native fish restocking programs funded by state governments and recreational fishing groups. Throughout the Murray-Darling Basin, we released 800,000 Murray cod fingerlings, 260,000 silver perch fingerlings, and 393,000 golden perch 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 also the 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

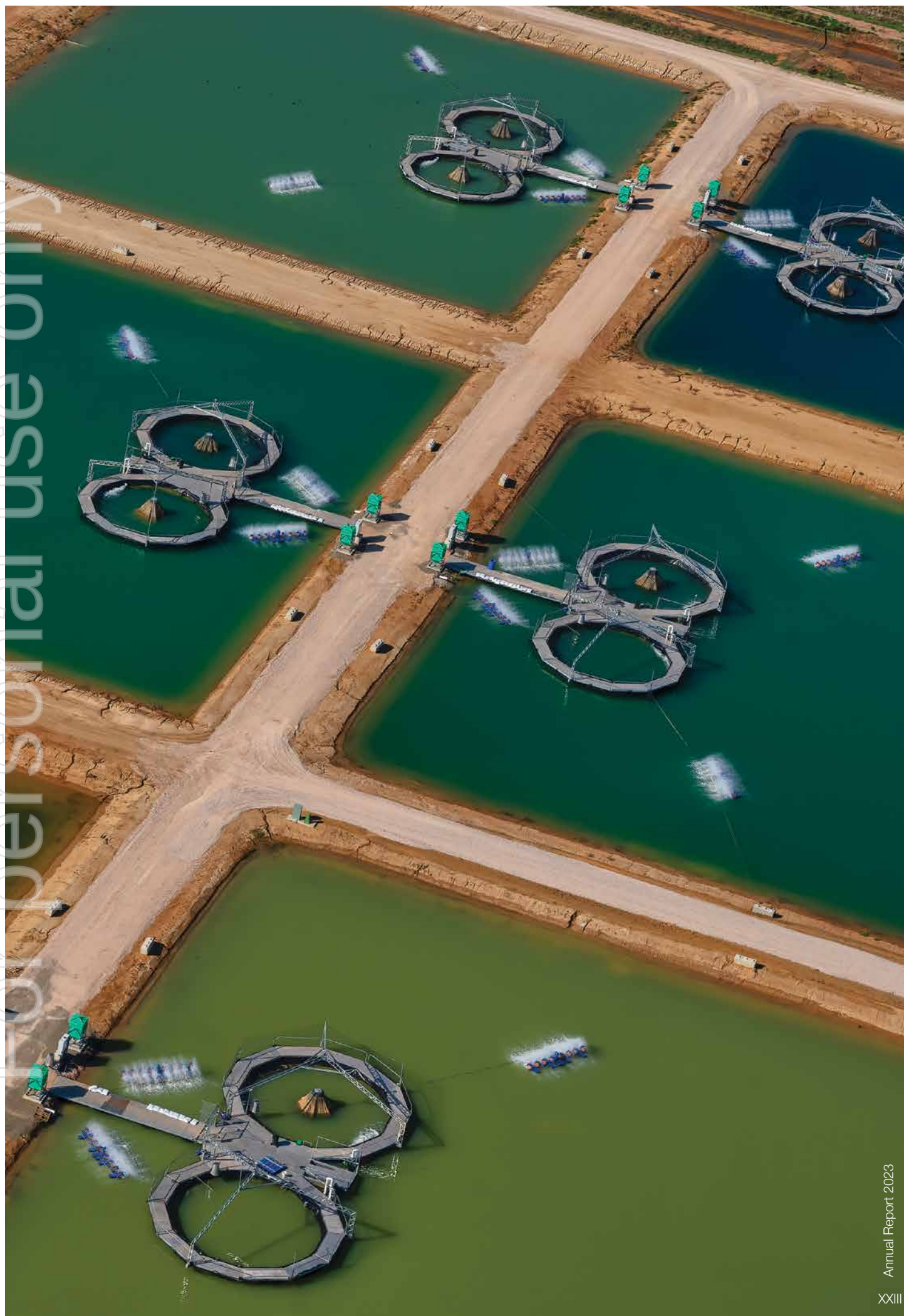
Martin Priestley has extensive capital markets experience having built businesses in commercial banking, real estate funds management, origination and principal investment. He is a former CEO of Ashe Morgan Winthrop, an independent corporate advisory and capital raising firm and Bamford Partners which focuses on corporate advisory, fund-raising, M&A and private equity. He recently headed 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, and the Whitton Malt House which is a Dining, Event and Accommodation facility near Whitton NSW.

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CORPORATE MANAGEMENT TEAM

Ian Charles

Hatcheries and Business Development Manager

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.

Wendy Dillon

Chief Financial Officer

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

Felipe Muller

General Manager, Production

Felipe Muller has more than 30 years' experience in the aquaculture industry. During this time, he's covered all aspects of fish production, along with R&D, business development, and farming activities across four continents and with a wide variety of species, conditions, and environments. He has a Bachelor of Agricultural Science and a Doctor of Veterinary Medicine, specialising in Aquaculture. Felipe also holds a Master of Marketing and Negotiations and is currently studying an MBA at Griffith University. His focus is on sustainability, developing business models, and using innovative methods to solve new and old problems.

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 conducted within the Riverina region of NSW and in Wentworth in South Western NSW.

Significant Changes to Activities

There was 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 \$7,300,927: (2022 was a loss of \$8,749,185).

Review of Operations

Aquaculture

The Group operates two hatcheries, a nursery, an indoor breeding facility, 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 and hatcheries.

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

Financial Position

The net assets of the Group have decreased by \$5,354,385 from \$76,387,161 in 2022 to \$71,032,776 in 2023. This has largely resulted from the following factors:

- Loss after tax of \$7,300,927 less an increase in share capital and reserves of \$1,946,542.

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 that occurred during the financial year.

Events after the Reporting Period

There have been no significant events occurred since 30 June 2023.

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.

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 of 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. However we anticipate export markets could make up a significant portion of this downturn.

Environmental Issues

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

Adverse and unforeseen climatic events and climate change generally could potentially impact on the Group's business in a combination of ways, with the four major risk areas considered to include:

- (1) temperature sensitivity of fish: the Murray Cod species does tolerate a very wide range of temperatures, but if significant changes occurred in climate that either raised or lowered water temperatures significantly from historical ranges then we may suffer losses;
- (2) flooding and storm surge exposure: Our pond infrastructure is built with significantly raised walls in areas where flooding has not been recorded historically, the topography of the irrigation area with the network of drainage canals also lowers risk of flooding. However if major flooding did occur which breached our dam walls then losses could occur;
- (3) low-oxygen hazard: We operate aerators on grow out ponds and have an extensive system of electrical, mechanical and chemical backup to ensure oxygen levels are maintained. However should these all fail simultaneously losses could occur to the Group;
- (4) disease vulnerability: If a new disease or mutation of a known disease emerges in our fish stock that we are unable to treat effectively then the Group may suffer losses as result.

The Group's operations are exposed to the natural environment and are therefore sensitive to climate change.

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 Report included on page XX 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 2023. The information in the preceding Operating and Financial Review forms part of the Directors Report for the financial year ended 30 June 2023 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 (Executive Chairman)
- Mathew John Ryan (Executive Managing Director)
- George Roger Commins (Non-executive Director)
- Martin Andrew Priestley (Non-executive Director)

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 2023.

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 RSM Australia Partners for non-audit services provided during the year ended 30 June 2023:

	\$
Taxation services	Nil
Due diligence investigations	Nil
	Nil

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 12 of the Financial Report.

Options

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

Grant Date	Date of expiry	Exercise price	Number under option
7/12/22	05/12/2026	\$0.23	14,000,000
			14,000,000

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
04/01/2021	03/01/2025	\$0.25	14,000,000
11/02/2021	03/01/2025	\$0.25	750,000
15/04/2021	03/01/2025	\$0.25	500,000
14/05/2021	03/01/2025	\$0.25	250,000
26/11/2021	25/11/2025	\$0.53	14,000,000
20/04/2022	03/04/2026	\$0.27	480,000
07/12/2022	05/12/2026	\$0.23	14,000,000
			43,980,000

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 2023 nil ordinary shares of Murray Cod Australia Limited were issued on the exercise of options and performance rights granted. There has been no ordinary shares of Murray Cod Australia Limited 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	- Executive Chairman
Qualifications	- Chartered Accountant, BCom (with merit), CTA
Experience	- 30 Years' as Chartered Accountant, 20 years' as AFSL Holder, 8 years' as Director of MCA
Interest in Shares and Options	- 63,054,892 ordinary shares, and 15,000,000 unlisted options
Directorships held in other listed entities during the three years prior to the current year	- Nil
Mathew John Ryan	- Executive Managing Director
Qualifications	- BRurSc
Experience	- Over 21 years' experience in agricultural industry including 12 years' in aquaculture
Interest in Shares and Options	- 113,571,429 ordinary shares, and 15,000,000 unlisted options
Directorships held in other listed entities during the three years prior to the current year	- Nil
George Roger Commins	- Non-executive Director
Experience	- Over 40 years' in Agribusiness
Interest in Shares and Options	- 50,332,857 ordinary shares, and 6,000,000 unlisted options
Directorships held in other listed entities during the three years prior to the current year	- Nil
Martin Andrew Priestley	- Non-executive Director
Qualifications	- BSc (Hons)
Experience	- Over 30 years' experience in banking and finance
Interest in Shares and Options	- 8,000,000 ordinary shares, and 6,000,000 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 the following meetings of Directors (including committees of directors) were held.
Attendance by each director during the year were as follows:

Directors	DIRECTORS' MEETINGS		AUDIT COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ross James Anderson	7	7	3	3
Mathew John Ryan	7	7	3	2
George Roger Commins	7	7	3	0
Martin Andrew Priestley	7	7	3	3

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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 by the remuneration committee 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) and superannuation, and may receive fringe benefits, options, and performance incentives.
- There are currently no performance incentives paid, if paid in the future would only be 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 Remuneration Committee reviews KMP packages annually by reference to the consolidated group's performance, executive performance, and comparable information from industry sectors. The remuneration committee make recommendations to the board.

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. Any 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 2023 was 10.5% and since 1 July 2023 has increased to 11% of the individual's average weekly ordinary time earnings (AWOTE). Individuals may choose 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 encouraged to participate in 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.

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

There is currently no performance-based remuneration being paid to executive or non-executive KMP.

Relationship Between Remuneration Policy and Group Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors, and executives. One method has been applied to achieve this aim, that 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, net assets and dividends for the last five 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 five 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 five years.

Grant Date	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Revenue	25,760,800	22,210,316	14,258,039	8,475,949	6,446,859
Net profit/(Loss)	(7,300,927)	(8,749,185)	(1,164,283)	61,690	(3,674,901)
Net Assets	71,032,776	76,387,161	31,895,448	31,985,365	16,622,056
Share price at year-end	\$0.12	\$0.20	\$0.40	\$0.125	\$0.20
Dividends Paid	-	-	-	-	-

Performance Conditions Linked to Remuneration

There is currently no bonus reward schemes based on the achievement of revenue targets, return on equity ratios and continued employment with the Group.

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 of 30 June 2023 and any change during the year	Contract details (Duration & Termination)
Ross James Anderson	Executive Chairman	No fixed term, 12-month's notice
Mathew John Ryan	Executive Managing Director	No fixed term, 12-month's notice
George Roger Commins	Non-executive Director	No fixed term, 3-month's notice
Martin Andrew Priestley	Non-executive Director	No fixed term, 3-month's notice
Wendy Joy Dillon	Chief Financial Officer (commenced 1/11/22)	No fixed term, 3-month's 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%
Wendy Joy Dillon	-	-	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 and Executives subsequent to year-end.

Remuneration Expense Details for the Year Ended 30 June 2023

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 2023

	SHORT-TERM BENEFITS			POST EMPLOYMENT BENEFITS	
	Salary, Fees and Leave \$	Profit Share and Bonuses \$	Non-Monetary \$	Superannuation \$	Other \$
2023					
Group KMP					
Ross James Anderson	200,307	-	-	13,677	-
Mathew John Ryan	379,546	-	-	36,185	-
George Roger Commins	30,000	-	-	-	-
Martin Andrew Priestley	130,000	-	-	-	-
Wendy Joy Dillon	177,821	-	-	17,096	-
Total KMP	917,674	-	-	66,958	-

	LONG-TERM BENEFITS		EQUITY-SETTLED SHARE-BASED PAYMENTS		Cash-Settled Share-Based Payments	Termination Benefits	Total
	Incentive Plans	LSL	Shares/Units	Options/Rights			
2023	\$	\$	\$	\$	\$	\$	\$
Group KMP							
Ross James Anderson	-	1,094	-	730,511	-	-	945,589
Mathew John Ryan	-	24,623	-	730,511	-	-	1,170,865
George Roger Commins	-	-	-	292,204	-	-	322,204
Martin Andrew Priestley	-	-	-	292,204	-	-	422,204
Wendy Joy Dillon	-	911	73,500	-	-	-	269,328
Total KMP	-	26,628	73,500	2,045,430	-	-	3,130,190

Table of Benefits and Payments for the Year Ended 30 June 2022

	SHORT-TERM BENEFITS			POST EMPLOYMENT BENEFITS	
	Salary, Fees and Leave	Profit Share and Bonuses	Non-monetary	Superannuation	Other
2022	\$	\$	\$	\$	\$
Group KMP					
Ross James Anderson	160,008	-	-	-	-
Mathew John Ryan	200,000	-	-	20,000	-
George Roger Commins	30,000	-	-	-	-
Martin Andrew Priestley	30,000	-	-	-	-
Total KMP	420,008	-	-	20,000	-

	LONG-TERM BENEFITS		EQUITY-SETTLED SHARE-BASED PAYMENTS		Cash-Settled Share-Based Payments	Termination Benefits	Total
	Incentive Plans	LSL	Shares/Units	Options/Rights			
2022	\$	\$	\$	\$	\$	\$	\$
Group KMP							
Ross James Anderson	-	-	-	713,235	-	-	873,243
Mathew John Ryan	-	-	-	713,235	-	-	933,235
George Roger Commins	-	-	-	285,294	-	-	315,294
Martin Andrew Priestley	-	-	-	285,294	-	-	315,294
Total KMP	-	-	-	1,997,058	-	-	2,437,066

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/CANCELLED	
	No.		Issued Date (Note 1f)	No. (Note 1f)	Value \$ (Note 3)	No. (Note 2)	Value \$
Group KMP							
Ross James Anderson	1a,b,c	10,000,000	7/12/22	5,000,000	231,644	-	-
Mathew John Ryan	1a,b,c	10,000,000	7/12/22	5,000,000	231,644	-	-
George Roger Commins	1a,b,c	4,000,000	7/12/22	2,000,000	92,657	-	-
Martin Andrew Priestley	1a,b,c	4,000,000	7/12/22	2,000,000	92,657	-	-
Total KMP		28,000,000		14,000,000	648,602	-	-

	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		15,000,000	3,750,000	-	3,750,000	11,250,000
Mathew John Ryan		15,000,000	3,750,000	-	3,750,000	11,250,000
George Roger Commins		6,000,000	1,500,000	-	1,500,000	4,500,000
Martin Andrew Priestley		6,000,000	1,500,000	-	1,500,000	4,500,000
Total KMP		42,000,000	10,500,000	-	10,500,000	31,500,000

Note 1a 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 2023 7,000,000 options are unvested. 4,000,000 options vested on 1st July 2021, 3,500,000 options vested on 1st July 2022, 3,500,000 options vest on 1st July 2023 and 3,500,000 options vest on 1st July 2024. 1,500,000 options were cancelled on 23/6/22

Note 1b 16,000,000 unlisted options were issued as incentive for future performance and have an exercise price of 53 cents each and expire on 25th November 2025. At the 30th of June 2023 10,500,000 options are unvested. 3,500,000 options vested on 1st July 2022, 3,500,000 options vest on 1st July 2023, 3,500,000 options vest on 1st July 2024 and 3,500,000 options vest on 1st July 2025. 2,000,000 options were cancelled on 23/6/22.

Note 1c 14,000,000 unlisted options were issued as incentive for future performance and have an exercise price of 23 cents each and expire on 5th December 2026. At the 30th of June 2023 14,000,000 options are unvested. 3,500,000 options vested on 1st July 2023, 3,500,000 options vest on 1st July 2024, 3,500,000 options vest on 1st July 2025 and 3,500,000 options vest on 1st July 2026.

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 pay 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 2023 14,000,000 unlisted options were issued as incentive for future performance and have an exercise price of 23 cents each and expire on 5th December 2026. At the 30th of June 2023 the 14,000,000 options are unvested. 3,500,000 options vest on 1st July 2023, 3,500,000 options vest on 1st July 2024, 3,500,000 options vest on 1st July 2025 and 3,500,000 options vest on 1st July 2026.

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	63,054,895	-	-	(3)	63,054,892
Mathew John Ryan	113,571,429	-	-	-	113,571,429
George Roger Commins	50,332,857	-	-	-	50,332,857
Martin Andrew Priestley	8,000,000	-	-	-	8,000,000
Wendy Joy Dillon	1,857,480	500,000	-	-	2,357,480
Total KMP	236,816,661	500,000	-	(3)	237,316,658

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 a 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: 27th September 2023

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AUDITOR'S INDEPENDENCE DECLARATION

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As lead auditor for the audit of the financial report of Murray Cod Australia Ltd and its Controlled Entities for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A stylized, handwritten-style 'RSM' logo.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'John Findlay'.

JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 27th day of September 2023

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

		CONSOLIDATED GROUP	
	Note	2023 \$	2022 \$
CONTINUING OPERATIONS			
Revenue	3	10,997,742	12,708,545
Other income	3	1,320,202	748,712
Gain from changes in fair value of biological assets	11	14,763,058	9,501,771
Adjustment to fair value of biological assets	11	(654,650)	(2,492,954)
Employee benefits expense		(8,011,075)	(5,403,496)
Depreciation and amortisation expense	4	(1,968,155)	(1,633,911)
Cost of Sales – equipment	4	(4,010)	(11,112)
Cost of Sales – fish	4	(16,109,138)	(15,699,015)
Cost of Sales – processing plant	4	(156,147)	2,506
Cost of Sales – cattle	4	-	(48,945)
Administrative and other expenses		(2,489,936)	(1,703,194)
Fish farm operating expenses		(4,157,505)	(3,690,328)
Finance costs	4	(172,288)	(197,458)
Share based payment expense	4,25	(2,131,210)	(2,124,091)
Net loss before income tax		(8,773,112)	(10,042,970)
Tax expense	5	1,472,185	1,293,785
Net loss from continuing operations		(7,300,927)	(8,749,185)
Discontinued operations		-	-
Net loss for the year after tax		(7,300,927)	(8,749,185)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on land and buildings and water rights and licences, net of tax	5c	(137,437)	14,219,996
Total other comprehensive income for the year		(137,437)	14,219,996
Total comprehensive income for the year		(137,437)	14,219,996
Earnings per share			
From continuing and discontinued operations:			
Basic earnings/(loss) per share (cents)	8	(0.954)	(1.293)
Diluted earnings/(loss) per share (cents)	8	(0.909)	(1.156)
From continuing operations:			
Basic earnings/(loss) per share (cents)	8	(0.954)	(1.293)
Diluted earnings/(loss) per share (cents)	8	(0.909)	(1.156)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2023

CONSOLIDATED GROUP			
	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	11,424,244	27,027,855
Trade and other receivables	10	620,268	651,123
Inventories	11	20,902,140	14,685,349
Other assets	16	591,793	392,330
Total Current Assets		33,538,445	42,756,657
Non-Current Assets			
Other financial assets	12	123	103
Property, plant and equipment	14	41,151,897	36,068,339
Deferred tax assets	20	4,507,713	2,789,280
Right of use assets	17	9,878,870	5,510,197
Intangible assets	15	4,731,633	4,906,859
Total Non-Current Assets		60,270,236	49,274,778
Total Assets		93,808,681	92,031,435
LIABILITIES			
Current Liabilities			
Trade and other payables	18	2,832,607	998,437
Borrowings	19	1,088,940	696,402
Lease liabilities		670,685	493,281
Provisions	21	682,018	418,216
Total Current Liabilities		5,274,250	2,606,336
Non-Current Liabilities			
Borrowings	19	1,544,132	1,635,359
Lease liabilities		9,478,773	5,181,232
Deferred tax liabilities	20	6,421,784	6,221,347
Provisions	21	56,966	-
Total Non-Current Liabilities		17,501,655	13,037,938
Total Liabilities		22,775,905	15,644,274
Net Assets		71,032,776	76,387,161
Equity			
Issued capital	22	78,861,056	78,787,556
Reserves		19,478,726	17,605,684
Retained earnings		(27,307,006)	(20,006,079)
Total Equity		71,032,776	76,387,161

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023

		SHARE CAPITAL				
	Note	Ordinary \$	Redeemable Preferred \$	Deferred Ordinary Shares \$	Retained Earnings	Capital Profits Reserve \$
Consolidated Group						
Balance at 1 July 2021		37,878,336	-	-	(11,256,894)	
Comprehensive Income						
Profit/(loss) for the year		-	-	-	(8,749,185)	-
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	(8,749,185)	-
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the year		42,217,050	-	-	-	-
Transactions costs		(1,307,830)	-	-	-	-
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		40,909,220	-	-	-	-
Other						
Transfers to Reserves		-	-	-	-	-
Total Other		-	-	-	-	-
Balance at 30 June 2022		78,787,556	-	-	(20,006,079)	-
Balance at 1 July 2022		78,787,556	-	-	(20,006,079)	-
Comprehensive Income						
Profit/(Loss) for the year		-	-	-	(7,300,927)	-
Other comprehensive income for the year	30	-	-	-	-	-
Total comprehensive income for the year		-	-	-	(7,300,927)	-
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the year		73,500	-	-	-	-
Transactions costs		-	-	-	-	-
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	30	73,500	-	-	-	-
Other						
Transfer to Reserves		-	-	-	-	-
Total Other		-	-	-	-	-
Balance at 30 June 2023		78,861,056	-	-	(27,307,006)	-

The accompanying notes form part of these financial statements.

RESERVES									
Revaluation Surplus \$	Asset Revaluation Reserve \$	Foreign Currency Translation Reserve \$	General Reserve \$	Option Reserve \$	Performance Share Based		Subtotal \$	Non- controlling Interests \$	Total \$
					Rights Reserve \$	Payment Reserve \$			
	698,800			3,825,206	750,000		31,895,448		31,895,448
-	-	-	-	-	-	-	(8,749,185)	-	(8,749,185)
-	14,219,996	-	-	-	-	-	14,219,996	-	14,219,996
-	14,219,996	-	-	-	-	-	5,470,811	-	5,470,811
-	-	-	-	-	-	-	42,217,050	-	42,217,050
-	-	-	-	-	-	-	(1,307,830)	-	(1,307,830)
-	-	-	-	514,847	-	-	514,847	-	514,847
-	-	-	-	(3,401,861)	(750,000)	-	(4,151,861)	-	(4,151,861)
-	-	-	-	1,748,696	-	-	1,748,696	-	1,748,696
-	-	-	-	(1,138,318)	(750,000)	-	39,020,902	-	39,020,902
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	14,918,796	-	-	2,686,888	-	-	76,387,161	-	76,387,161
-	14,918,796	-	-	2,686,888	-	-	76,387,161	-	76,387,161
-	-	-	-	-	-	-	(7,300,927)	-	(7,300,927)
-	(137,437)	-	-	-	-	-	(137,437)	-	(137,437)
-	(137,437)	-	-	-	-	-	(7,438,364)	-	(7,438,364)
-	-	-	-	-	-	-	73,500	-	73,500
-	-	-	-	-	-	-	-	-	-
-	-	-	-	1,465,669	-	-	1,465,669	-	1,465,669
-	-	-	-	(103,791)	-	-	(103,791)	-	(103,791)
-	-	-	-	648,601	-	-	648,601	-	648,601
-	-	-	-	2,010,479	-	-	2,083,979	-	2,083,979
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	14,781,359	-	-	4,697,367	-	-	71,032,776	-	71,032,776

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2023

		CONSOLIDATED GROUP	
	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipts from customers and government grants		11,112,136	12,084,978
Interest received		102,769	17
Payments to suppliers and employees		(20,160,271)	(17,556,149)
Net cash used in operating activities	24a	(8,945,366)	(5,471,154)
Cash Flows from Investing Activities			
Purchase of trademarks		(8,024)	(9,992)
Purchase of property, plant and equipment		(6,566,656)	(7,063,559)
Disposal of property, plant and equipment		-	20,254
Purchase of financial assets		(20)	(8)
Net cash used in investing activities		(6,574,700)	(7,053,305)
Cash Flows from Financing Activities			
Proceeds from issue of shares and exercise of options		-	38,251,871
Proceeds from borrowings		701,423	160,496
Capital costs on issue of share capital		-	(1,307,830)
Repayment of borrowings – other		(739,035)	(640,095)
Repayment of lease liabilities		(384,856)	(405,523)
Net cash (used in)/provided by financing activities		(422,468)	36,058,919
Net (decrease)/increase in cash held		(15,942,534)	23,534,460
Cash and cash equivalents at beginning of financial year		26,969,036	3,434,576
Cash and cash equivalents at end of financial year	9	11,026,502	26,969,036

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

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 27th September 2023 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 policies 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 indefinable 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 goodwill 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 Company.

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 the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss 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 interests 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 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 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).

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 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 same taxation 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, Golden perch and Silver perch 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(h)) 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 retain earnings.

(g) 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 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 the 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 exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(h) 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 (ie., 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 or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held or 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 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; and
- 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 currently does not hold any derivatives.

Hedge Accounting

The group currently does not carry out any hedging.

Preference Shares

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 originated), 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 applies its internal 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.

(j) Intangible Assets Other than Goodwill

Trademarks and Licenses

Patents and trademarks are recognised at cost of acquisition.

Water Rights and Licenses

Water rights and licences 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 licences and annual allocations. The Group revalues the water licences each half year in accordance with the 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.

(k) 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 the 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.

(l) 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 the statement of profit and loss respectively. The fair value of options is determined using the Black-Scholes option 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 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 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.

(m) 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.

(n) 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.

(o) Revenue and Other Income

Revenue Recognition

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

- **Revenue**
 - Fish sales, sales of Murray cod, Golden perch and Silver perch
 - Equipment sales, sales of aquaculture equipment to grow Murray cod
 - 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, Golden perch, Silver perch 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 and does not refund the sales income. A refund liability is not recognised as it is highly unlikely to occur.

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.

(p) 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.

(q) 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 or 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.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST incurred, except where the amount of GST 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.

(s) 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.

(t) 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.

(u) New and Amended Accounting Policies Not Yet Adopted by the Entity

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment to the reporting period ending 30 June 2024 along with the adoption of AASB 2020-6. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2022-6 Amendment to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from the loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure. The Group plans on adopting the amendment to the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments are from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8). The Group plans on adopting the amendment to the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. The Group plans on adopting the amendment to the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

(v) 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 licences

The consolidated entity assesses the impairment or revaluation of water rights and licences at each reporting date. Water rights and licences 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 licences 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) 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.

(ix) 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 likelihood 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.

	2023 \$	2022 \$
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	33,614,419	42,832,292
Non-current Assets	60,127,263	49,018,367
Total Assets	93,741,682	91,850,659
LIABILITIES		
Current Liabilities	5,288,073	2,620,159
Non-current Liabilities	17,205,765	12,734,484
Total Liabilities	22,493,838	15,354,643
EQUITY		
Issued Capital	80,191,066	80,117,566
Retained Earnings	(28,421,948)	(21,227,234)
Asset Revaluation Reserve	14,781,358	14,918,796
Option Reserve	4,697,368	2,686,888
Total Equity	71,247,844	76,496,016
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net loss for the year after tax	(7,194,715)	(8,861,798)
Total other comprehensive income	(137,437)	14,219,996

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 2023 Murray Cod Australia Limited was not responsible for any Associates Contingent Liabilities as there was nil.

Contractual commitments

At 30 June 2023 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	
		2023 \$	2022 \$
Sales revenue			
• Fish sales		10,863,203	12,446,219
• Cattle sales		-	92,921
• Equipment sales		-	11,112
		10,863,203	12,550,252
Other revenue			
• Interest received		104,617	17
• Dividend income		5	5
• Insurance proceeds		24,755	41,989
• Sundry income		5,162	116,282
Total revenue		10,997,742	12,708,545
Other income			
• Subsidies and rebates		197,418	234,693
• Research and development tax incentive		1,122,784	514,019
Total other income		1,320,202	748,712
Total revenue and other income		12,317,944	13,457,257

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:

	Consolidated Group	
Note	2023 \$	2022 \$
(a) Expenses		
Cost of sales		
• Cost of sales - fish	16,109,138	15,699,015
• Cost of sales - aquaculture equipment	4,010	11,112
• Cost of sales - cattle	-	48,945
• Cost of sales - processing plant	156,147	(2,506)
	16,269,295	15,756,566
Loss allowance on financial assets and other items		
• Loss(profit) allowance on trade receivables	28,251	(15,457)
Interest expenses on financial liabilities		
• related parties	-	-
• unrelated parties	172,288	197,458
Total finance cost	172,288	197,458
Depreciation	1,968,155	1,633,911
Superannuation	593,403	403,813
Share Based Payment	2,131,210	2,124,091

Note expenses incurred in research and development are not listed separately as research and development expense.

Note 5 Tax Expense

	Note	Consolidated Group	
		2023 \$	2022 \$
(a) The components of tax expense (income) comprise:			
Current tax		-	-
Deferred tax	20	(1,472,185)	(1,293,785)
Recoupment of prior year tax losses		-	-
Under provision in respect of prior years		-	-
		(1,472,185)	(1,293,785)
(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% (2022: 25%)			
• consolidated group		(2,193,278)	(2,510,743)
Add:			
Tax effect of:			
• non-allowable items		665,948	714,351
• right of use asset depreciation and interest		217,569	171,149
• share options expensed during year		532,802	531,022
• adjustment to prior year tax losses		-	86,930
• decrease in corporate tax rate		-	9,503
		(776,959)	(997,788)
Less:			
Tax effect of:			
• deductible expenses capitalised on balance sheet or not claimed in prior year		95,025	144,275
• deductible lease expenses		191,001	137,482
• taxation depreciation exceeding accounting depreciation		-	-
• non-assessable income		280,696	14,240
• adjustment to prior year tax losses		128,504	-
Income tax attributable to entity		(1,472,185)	(1,293,785)
The weighted average effective tax rates are as follows:			
The change in the weighted average effective consolidated tax rate for 2023 is a result of a reduced loss in 2023 compared to 2022.		(16.78%)	(12.88%)

(c) Tax effects relating to each component of other comprehensive income:

	Note	Before-tax Amount \$	Tax (Expense)/Benefit \$	Net-of-tax Amount \$
2023				
Consolidated Group				
Gain(loss) on land and buildings and water rights revaluations		(183,250)	45,813	(137,437)
		(183,250)	45,813	(137,437)
2022				
Consolidated Group				
Gain on land and buildings and water rights revaluations		19,192,927	(4,972,931)	14,219,996
		19,192,927	(4,972,931)	14,219,996

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 2023.

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

	2023 \$	2022 \$
Short-term employee benefits	917,674	420,008
Post-employment benefits	66,958	20,000
Other long-term benefits	26,628	-
Termination benefits	-	-
Share-based payments	2,118,929	1,997,058
Total KMP compensation	3,130,189	2,437,066

Short-term employee benefits

- These amounts include fees and benefits paid to the executive chair and non-executive directors as well as all salary, 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.

Other long-term benefits

- These amounts represent long service leave benefits accruing during the year.

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	
	2023 \$	2022 \$
Remuneration of the auditor for:		
• Auditing or reviewing the financial statements	122,800	41,000
	122,800	41,000

Note 8 Earnings per Share

	Consolidated Group	
	2023 \$	2022 \$
(a) Reconciliation of earnings to profit or loss		
Loss	(7,300,927)	(8,749,185)
Earnings used to calculate basic EPS	(7,300,927)	(8,749,185)
Dividend on convertible preference shares	-	-
Earnings used in the calculation of dilutive EPS	(7,300,927)	(8,749,185)
(b) Reconciliation of earnings to profit or loss from continuing operations		
Loss from continuing operations	(7,300,927)	(8,749,185)
Earnings used to calculate basic EPS from continuing operations	(7,300,927)	(8,749,185)
Dividends on convertible preference shares	-	-
Earnings used in the calculation of dilutive EPS from continuing operations	(7,300,927)	(8,749,185)
	No.	No.
(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	765,345,169	676,474,537
Weighted average number of dilutive options outstanding	38,032,055	72,429,397
Weighted average number of dilutive performance rights outstanding	-	7,972,603
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	803,377,224	756,876,537

Note 9 Cash and Cash Equivalents

	Note	2023 \$	2022 \$
Cash at bank and on hand		4,424,244	27,027,855
Short-term bank deposits		7,000,000	-
	28	11,424,244	27,027,855

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:

Cash and cash equivalents		11,424,244	27,027,855
Credit cards	19	(45,546)	(58,819)
Bank Overdraft	19	(352,196)	-
		11,026,502	26,969,036

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	Consolidated Group	
		2023 \$	2022 \$
Trade receivables		590,105	626,072
Provision for impairment		(39,161)	(10,910)
Business Activity Statement Refund Receivable		61,991	29,075
		612,935	644,237
Other receivables		7,333	6,886
Total current trade and other receivables		620,268	651,123

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

	Consolidated Group			
Note	Opening balance 1 July 2021 \$	Net measurement of loss allowance \$	Amounts written off \$	Closing balance 30 June 2022 \$
i. Current trade receivables	26,367	-	(15,457)	10,910

	Consolidated Group			
Note	Opening balance 1 July 2022 \$	Net measurement of loss allowance \$	Amounts written off \$	Closing balance 30 June 2023 \$
i. Current trade receivables	10,910	28,251	-	39,161

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 2023 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
2022					
Expected loss rate	1%	1%	1%	50%	
Gross carrying amount	150,877	19,602	6,351	18,282	195,112
Loss allowing provision	1,509	196	64	9,141	10,910
2023					
Expected loss rate	1%	1%	1%	50%	
Gross carrying amount	157,527	21,134	18,349	74,383	271,393
Loss allowing provision	1,575	211	183	37,192	39,161

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	
		2023 \$	2022 \$
Trade and other Receivables			
• Total current		620,268	651,123
• Total non-current		-	-
Total financial assets measured at amortised cost	28	620,268	651,123

(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

	Consolidated Group	
Note	2023 \$	2022 \$
CURRENT		
At cost:		
Fish feed and chemical inventory	953,155	771,607
Livestock - cattle	265,802	-
Cage building stock and parts	8,265	12,275
Processing plant inventory	113,159	159,909
	<u>1,340,381</u>	<u>943,791</u>
At net realisable value:		
Biological assets		
Murray cod broodstock	2,756,890	1,270,133
Murray cod fingerlings	4,225,427	2,291,291
Murray cod pond fish	15,727,047	12,593,089
Silver perch fingerlings	-	80,000
Total biological assets	<u>22,709,364</u>	<u>16,234,513</u>
Less: Provision for biological assets	<u>(3,147,605)</u>	<u>(2,492,955)</u>
Net total biological assets	<u>19,561,759</u>	<u>13,741,558</u>
Total inventory	<u>20,902,140</u>	<u>14,685,349</u>
Biological Assets		
Carrying amount at the beginning of the period	16,234,513	14,853,126
Purchases and costs	3,150,183	3,871,906
Decreases due to harvest for sale	(11,438,390)	(11,992,290)
Gain from physical changes at fair value	14,763,058	9,501,771
Carrying amount at the end of the period	<u>22,709,364</u>	<u>16,234,513</u>
Biological Inventory Non-Financial Measures	2023	2022
Biomass - Tonnes (net of provision for biological asset)	571	583
Biomass – Tonnes Harvested for Sale	430	525
Number of Fingerlings Sold	1,692,075	4,467,775

Biological Inventory Provision

The fish which make up our biological inventory are grown in ponds. The ponds are entirely self-contained and are built on land. They are constructed as earthen dams for the specific purpose of growing fish. Water and fish are unable to escape from the ponds.

Within each pond the company constructs a pontoon system from which a number of nets are suspended into the water. The system is designed for the fish to be contained within the nets. The company accounts for fish within the nets by counting all movements into the nets by way of new stocking, and out of the nets by way of harvest or mortality. This provides the basis for numbers of fish from which biomass is calculated.

Regular surveys of average weights are undertaken for fish inside nets and when calculated with the number of fish in nets the company has reasonable estimates of biomass within the nets.

In prior years some nets were faulty and fish escaped from within those nets to the pond in which the nets are housed. Those fish, despite being free from the net enclosures, were unable to escape from the ponds and remain within the custody of the company. From the time they are recorded as being outside nets the company has classified them as Unaccounted Fish.

When a fault in a net is discovered the company is able to make a reasonable estimate of the numbers of Unaccounted Fish by counting the fish remaining in the net. The company then accounts for the biomass of Unaccounted Fish using the average weights at the time a fault is discovered. The net gain from changes in fair value of biological assets reported in the Statement of Profit or Loss and Other Comprehensive Income does not include any growth of these fish after they become classified as Unaccounted Fish.

With Unaccounted Fish we are unable to determine, with any reasonable level of accuracy, either the number of fish outside nets or the average weights of those fish. That is, we are unable to count them or determine their size. We are also unable to count mortalities or losses of those fish to native predatory birds.

In the 2022 financial year the company has made a provision of \$2,492,955 against biological assets. This provision represents the value of fish recorded as Unaccounted Fish. As price rises have occurred during the year, the net realisable value of the unaccounted fish biomass has increased, this has increased the provision for unaccounted fish during the 2023 financial year. A pilot re-capture program initiated in May 2023 has provided success in recapturing these fish and there is evidence of substantial growth in individual fish weights of these Unaccounted Fish.

At sometime within the next 24-36 months it is anticipated those ponds will be drained as part of normal maintenance programs. At that time the Unaccounted Fish will be harvested. As those harvests occur, adjustments to the provision will be made.

Note 12 Other Financial Assets

		Consolidated Group	
	Note	2023 \$	2022 \$
NON- CURRENT			
Financial assets at cost		123	103
Total non-current assets		123	103
Unlisted investments, at cost			
• Shares in other corporations		123	103
		123	103

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 the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest held by the Group	
		2023 (%)	2022 (%)
Bidgee Fresh Pty Ltd	2-4 Lasscock Road, Griffith NSW 2680	100%	100%
Murray Darling Fisheries Pty Ltd	1795 Old Narrandera Road, Euberta NSW 2659	100%	100%

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	
	2023 \$	2022 \$
LAND AND BUILDINGS		
Land and Buildings		
• At cost	1,666,519	-
• Independent valuation 2022	25,450,000	25,450,000
Total land and buildings	27,116,519	25,450,000
Carrying amount of all land had it been carried under the cost model	5,742,900	4,076,381
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	18,291,629	13,397,564
Accumulated depreciation	(4,406,237)	(3,015,552)
At valuation	396,350	396,350
Accumulated depreciation	(246,364)	(160,023)
Total plant and equipment	14,035,378	10,618,339
Total property, plant and equipment	41,151,897	36,068,339

The Group's land and buildings were revalued at 30 June 2022 by independent valuers. Refer to Note 29 for detailed disclosures regarding the fair value measurement of the Group's land and buildings.

(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:	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at 1 July 2021	4,311,792	6,828,249	11,140,041
Additions	-	7,063,560	7,063,560
Disposals	-	(21,579)	(21,579)
Transfer between class of assets	2,094,380	(2,094,380)	-
Revaluations and impairment increments/ (decrements)	19,056,328	-	19,056,328
Depreciation expense	(12,500)	(1,150,224)	(1,162,724)
Capitalised borrowing costs expensed and capital costs write off	-	(8,637)	(8,637)
Capitalised borrowing cost	-	1,350	1,350
Balance at 30 June 2022	25,450,000	10,618,339	36,068,339
Additions	1,666,519	4,900,136	6,566,655
Depreciation expense	-	(1,477,026)	(1,477,026)
Capitalised borrowing costs expensed and capital costs write off	-	(8,921)	(8,921)
Capitalised borrowing cost	-	2,850	2,850
Balance at 30 June 2023	27,116,519	14,035,378	41,151,897

	Consolidated Group	
	2023 \$	2022 \$
(b) Capitalised Finance Costs		
Borrowing costs incurred	46,978	44,128
Borrowing costs written off to profit and loss	(30,058)	(21,137)
Borrowing costs capitalised	16,920	22,991

Note 15 Intangible Assets

	Consolidated Group	
	2023 \$	2022 \$
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	79,866	71,842
Accumulated amortisation and impairment losses	-	-
Net carrying amount	79,866	71,842
Water rights and licences at market value	2,538,600	2,721,850
Total intangible assets	4,731,633	4,906,859
Carrying amount of water rights and licences had it been carried under the cost model	1,886,450	1,886,450

	Goodwill \$	Trademarks & Licences and IP \$	Water Rights & Licences \$
Consolidated Group			
Year ended 30 June 2022			
Balance at the beginning of the year	2,113,167	61,850	2,585,250
Additions	-	9,992	-
Revaluations	-	-	136,600
Closing value at 30 June 2022	2,113,167	71,842	2,721,850
Year ended 30 June 2023			
Balance at the beginning of the year	2,113,167	71,842	2,721,850
Additions	-	8,024	-
Revaluations	-	-	(183,250)
Closing value at 30 June 2023	2,113,167	79,866	2,538,600

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 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 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 2023 or 2022 Financial Year.

	Note	Consolidated Group	
		2023 \$	2022 \$
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 on value in use calculations. Value in use is calculated based on the present value of cash flow projections over a five-year 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%	12%

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	
	2023 \$	2022 \$
CURRENT		
Prepayments	591,703	392,330
	591,793	392,330

Note 17 Right of Use Assets

The Group's lease portfolio includes land. These leases have an average of 12-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 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.

	Consolidated Group	
	2023 \$	2022 \$
i) AASB 16 related amounts recognised in the balance sheet		
Leased land and buildings	11,268,800	6,592,488
Accumulated depreciation	(1,389,930)	(1,082,291)
Net Carrying amount	9,878,870	5,510,197
Total Right of Use Asset	9,878,870	5,510,197
Movement in carrying amounts:		
Leased land and buildings	5,510,197	3,776,515
Leases commenced and remeasured	4,859,802	2,204,868
Depreciation expense	(491,129)	(471,186)
Net carrying amount	9,878,870	5,510,197
ii) AASB 16 related amounts recognised in the statement of profit or loss		
Depreciation charge related to right-of-use assets	491,129	471,187
Interest expense on lease liabilities	379,148	213,409
Total cash outflows for leases	766,439	616,014

Note 18 Trade and Other Payables

		Consolidated Group	
	Note	2023 \$	2022 \$
CURRENT			
Unsecured liabilities			
Trade payables		2,470,210	638,498
Sundry payables and accrued expenses		362,397	359,939
		<u>2,832,607</u>	<u>998,437</u>

		Consolidated Group	
	Note	2023 \$	2022 \$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
• Total current		2,832,607	998,437
Financial liabilities as trade and other payables	28	<u>2,832,607</u>	<u>998,437</u>

Note 19 Borrowings

		Consolidated Group	
	Note	2023 \$	2022 \$
CURRENT			
Secured liabilities at amortised cost:			
Equipment finance facilities	23	691,198	637,583
Bank overdrafts	19 b,c	352,196	-
Credit card facilities	19 b,c	45,546	58,819
Total current borrowings		<u>1,088,940</u>	<u>696,402</u>

NON-CURRENT

Secured liabilities at amortised cost:			
Equipment finance facilities	23	1,544,132	1,635,359
Total non-current borrowings		<u>1,544,132</u>	<u>1,635,359</u>
Total borrowings		<u>2,633,072</u>	<u>2,331,761</u>

		Consolidated Group	
	Note	2023 \$	2022 \$
(a) Total current and non-current secured liabilities:			
Bank overdraft		352,196	-
Equipment finance facilities		2,235,330	2,272,942
Credit card facilities		45,546	58,819
		<u>2,633,072</u>	<u>2,331,761</u>

(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 drawn at 30 June 2023 to \$352,196. Interest rate is variable but has been an average of 5.38% for the 2023 financial year. The facility is reviewable annually.

The Group has a Westpac Bank Bill Business Loan, original facility term 5 years expiring 21st December 2025, available redraw at 30 June 2023 \$2,905,876. Variable interest rate but has been an average of 5.81% for the 2023 Financial Year. The facility was undrawn at 30 June 2023.

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, Westpac Bank Bill Business 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 Commonwealth 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	2023 \$	2022 \$
Cash and cash equivalents	9	11,424,244	27,027,855
Trade receivables	10	620,268	651,123
Total financial assets pledged		12,044,512	27,678,978

Note 20 Tax

	Consolidated Group	
	2023 \$	2022 \$
CURRENT		
Income tax payable	-	-
	-	-

NON-CURRENT**Consolidated Group****Deferred tax liabilities**

Property, plant and equipment

	Opening Balance \$	Recognised in Profit and Loss \$	Charged directly to Equity \$	Changes in Tax Rates \$	Closing Balance \$
• tax allowance	384,780	668,922	-	(14,799)	1,038,903
Revaluations	143,741	71,300	4,972,931	(5,528)	5,182,444
Balance at 30 June 2022	528,521	740,222	4,972,931	(20,327)	6,221,347

Deferred tax liabilities

Property, plant and equipment

	Opening Balance \$	Recognised in Profit and Loss \$	Charged directly to Equity \$	Changes in Tax Rates \$	Closing Balance \$
• tax allowance	1,038,903	244,179	-	-	1,283,082
Revaluations	5,182,444	2,070	(45,812)	-	5,138,702
Balance at 30 June 2023	6,221,347	246,249	(45,812)	-	6,421,784

Deferred tax assets

Provisions and accruals

	Opening Balance \$	Recognised in Profit and Loss \$	Charged directly to Equity \$	Changes in Tax Rates \$	Closing Balance \$
Other	133,245	27,737	-	(5,124)	155,858
	642,356	2,015,772	-	(24,706)	2,633,422
Balance at 30 June 2022	775,601	2,043,509	-	(29,830)	2,789,280

Deferred tax assets

Provisions and accruals

	Opening Balance \$	Recognised in Profit and Loss \$	Charged directly to Equity \$	Changes in Tax Rates \$	Closing Balance \$
Other	155,858	112,642	-	-	268,500
	2,633,422	1,605,791	-	-	4,239,213
Balance at 30 June 2023	2,789,280	1,718,433	-	-	4,507,713

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

	Consolidated Group	
Note	2023 \$	2022 \$
CURRENT		
Employee Benefits		
Opening balance at 1 July	418,217	307,935
Additional provisions	557,919	298,188
Amounts used	(237,152)	(187,906)
Balance at 30 June	738,984	418,217
	Consolidated Group	
	2023 \$	2022 \$
Analysis of Total Provisions		
Current	682,018	418,216
Non-current	56,966	-
	738,984	418,216

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave, time in lieu, personal leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave, time in lieu and personal 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 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.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. 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. The measurement and recognition criteria relating to employee benefits have been included in Note 1(i).

Note 22 Issued Capital

	Consolidated Group	
Note	2023 \$	2022 \$
765,753,388 (2022: 765,253,388 fully paid ordinary shares)	82,215,480	82,141,980
Less: Capital raising costs	(3,354,424)	(3,354,424)
765,753,388 (2022: 765,253,388 fully paid ordinary shares)	78,861,056	78,787,556
	Consolidated Group	
	2023 \$	2022 \$
(a) Ordinary Shares		
	No.	No.
At the beginning of the reporting period	765,253,388	568,465,768
Shares issued during the year		
• 09/07/2021	-	500,000
• 18/08/2021	-	4,000,000
• 29/10/2021	-	6,500,000
• 18/11/2021	-	89,552,239
• 09/12/2021	-	1,825,000
• 17/12/2021	-	4,410,381
• 10/01/2022	-	15,000,000
• 13/01/2022	-	15,000,000
• 14/01/2022	-	60,000,000
• 24/04/2023	500,000	-
At the end of the reporting period	765,753,388	765,253,388

500,000 shares issued during the 2023 Financial Year were issued as a result of an issue under the employee security incentive plan.

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, other than a bank covenant from Westpac Bank requiring net tangible assets including water assets ratio to total tangible assets being greater than 70%.

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 2023 and 30 June 2022 are as follows:

		Consolidated Group	
	Note	2023 \$	2022 \$
Total borrowings and payables		15,615,137	9,004,711
Less cash and cash equivalents	9	(11,424,244)	(27,027,855)
Net debt		4,190,893	Nil
Total equity		71,032,776	76,387,161
Total capital		75,223,669	76,387,161
Gearing ratio		5.57%	0%

Note 23 Capital and Leasing Commitments

		Consolidated Group	
	Note	2023 \$	2022 \$
(a) Equipment Finance Facility Commitments			
Payable — minimum lease payments			
• Not later than 12 months		790,499	720,602
• Between 12 months and five years		1,652,592	1,619,181
• Later than five years		-	138,942
Minimum lease payments		2,443,091	2,478,725
Less future finance charges		(207,761)	(205,783)
Present value of minimum lease payments		2,235,330	2,272,942

All finance lease commitments are equipment finances from the Commonwealth, Westpac Bank and Volkswagen Finance. There are 29 contracts with varying commencement and completion dates. The contracts are over various aquaculture farming equipment. 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	
		2023 \$	2022 \$
(a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax			
Loss after income tax		(7,300,927)	(8,749,185)
Non-cash flows in profit			
Depreciation and amortisation		1,968,155	1,633,911
Loss on disposal of plant		-	1,325
Share based payment		2,131,210	2,124,091
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
Decrease/(increase) in trade and term receivables		30,855	(124,211)
(Increase)/decrease in other assets		(240,623)	244,199
(Increase)/decrease in inventories		(6,216,791)	801,577
Increase/(decrease) in trade payables and accruals		1,834,170	(219,357)
Increase in provisions		320,768	110,281
Decrease in deferred taxes payable		246,250	719,894
(Increase) in deferred taxes receivable		(1,718,433)	(2,013,679)
Net cash generated by operating activities		(8,945,366)	(5,471,154)

(b) Changes in Liabilities arising from Financing Activities

	1 July 2022	Cashflows	Acquisition	30 June 2023
Long term borrowings	2,272,942	(739,035)	701,423	2,235,330
Lease liabilities	5,674,513	(384,856)	4,859,801	10,149,458
Total	7,947,455	(1,123,891)	5,561,224	12,384,788

(c) Credit Standby Arrangements with Banks

	Consolidated Group	
	2023 \$	2022 \$
Credit facility	5,525,876	5,946,772
Amount utilised	(397,742)	-
	5,128,134	5,946,772

The major facilities are summarised as follows:

The Group has Westpac Business One Loan – Overdraft facility, the limit is \$2,500,000, was drawn to \$352,196 at 30 June 2023. Interest rate is variable but has been an average of 5.38% for the 2023 Financial Year. The facility is reviewable annually.

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, original facility term 5 years expiring 21st December 2025, available redraw at 30 June 2023 \$2,905,876. Variable interest rate but has been an average of 5.81% for the 2023 Financial Year. The facility was undrawn at 30 June 2023.

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 Employees 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 500,000 shares issued under the Employees Securities Incentive Plan during the 2023 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 a 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 Security Incentive Plan during the 2023 financial year and to the date of this report:

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 2021	107,025,000	\$0.1077
Granted	16,000,000	\$0.53
Granted	480,000	\$0.27
Forfeited	(300,000)	\$0.15
Forfeited	(400,000)	\$0.125
Forfeited	(2,250,000)	\$0.25
Forfeited	(2,000,000)	\$0.53
Exercised	(85,325,000)	\$0.075
Exercised	(2,000,000)	\$0.125
Exercised	(500,000)	\$0.25
Options outstanding as at 30 June 2022	30,730,000	\$0.3779
Forfeited	(750,000)	\$0.25
Granted	14,000,000	\$0.23
Options outstanding as at 30 June 2023	43,980,000	\$0.3533
Options exercisable as at 30 June 2022:	30,730,000	\$0.3779
Options exercisable as at 30 June 2023:	43,980,000	\$0.3533

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 and shares granted to key management personnel as share-based payments during 2023 are as follows:

	Consolidated Group	
	2023 \$	2022 \$
Share Based Payment Expense		
Options issued to Directors and employees	2,114,270	2,263,544
Options cancelled to Directors and employees	(103,791)	(186,683)
Shares issued to Directors and employees	73,500	-
	<u>2,083,979</u>	<u>2,076,861</u>

These options 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 as at 30 June 2023

Quantity issued to:	Options Issued	Exercise Price	Expiry Date	Fair Value /Option	Fair Value 30/06/23	Vested
Entity related to Ross Anderson (Director) issued 4/1/2021	5,000,000	0.25	03/01/2025	0.05866	293,300	Part
Entity related to Mathew Ryan (Director) issued 4/1/2021	5,000,000	0.25	03/01/2025	0.05866	293,300	Part
Entity related to George Roger Commins (Director) issued 4/1/2021	2,000,000	0.25	03/01/2025	0.05866	117,322	Part
Entity related to Martin Priestley (Director) issued 4/1/2021	2,000,000	0.25	03/01/2025	0.05866	117,322	Part
Employee Options issued 11/02/2021	750,000	0.25	03/01/2025	0.07348	55,111	Part
Entity related to David Crow (Ex-Director) issued 15/4/2021	500,000	0.25	03/01/2025	0.22123	110,613	Yes
Employee Options issued 14/05/2021	250,000	0.25	03/01/2025	0.21998	54,995	Yes
Entity related to Ross Anderson (Director) issued 26/11/2021	5,000,000	0.53	25/11/2025	0.20991	1,049,548	Part
Entity related to Mathew Ryan (Director) issued 26/11/2021	5,000,000	0.53	25/11/2025	0.20991	1,049,548	Part
Entity related to George Roger Commins (Director) issued 26/11/2021	2,000,000	0.53	25/11/2025	0.20991	419,821	Part
Entity related to Martin Priestley (Director) issued 26/11/2021	2,000,000	0.53	25/11/2025	0.20991	419,821	Part
Employee Options issued 20/04/2022	480,000	0.27	03/04/2026	0.14180	68,065	Yes
Entity related to Ross Anderson (Director) issued 7/12/2022	5,000,000	0.23	05/12/2026	0.04633	231,644	No
Entity related to Mathew Ryan (Director) issued 7/12/2022	5,000,000	0.23	05/12/2026	0.04633	231,644	No
Entity related to George Roger Commins (Director) issued 7/12/2022	2,000,000	0.23	05/12/2026	0.04633	92,657	No
Entity related to Martin Priestley (Director) issued 7/12/2022	2,000,000	0.23	05/12/2026	0.04633	92,657	No
	<u>43,980,000</u>				<u>4,697,368</u>	

c) 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 Aquana 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	
	2023 \$	2022 \$
Share Based Payment Expense		
24/5/2019 1,500,000 Ordinary Shares issued at \$0.155		
expensed over 5 years	47,231	47,230

Summary of Share Based Payment Expenses:

	Consolidated Group	
	2023 \$	2022 \$
Share Based Payment Expense		
Options issued to Directors and employees	2,114,270	2,263,544
Options cancelled to Directors and employees	(103,791)	(186,683)
Shares issued to Directors and employees	73,500	-
Agreement with Heston Blumenthal expense amortised over 5 years	47,231	47,230
	<u>2,131,210</u>	<u>2,124,091</u>

Note 26 Events After the Reporting Period

The Directors are not aware of any significant events since the end of the reporting period.

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	
	2023	2022
	\$	\$
Purchase of goods and services		
Anderson's Tax and Investment Services Pty Ltd a Company related to Ross Anderson provided in 2022 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. On 1 July 2022 the above services ceased. During 2023 Anderson's Tax and Investment Services Pty Ltd has paid expenses on behalf of the Group and been reimbursed these costs and has sold office equipment to the Group. (Total GST Inclusive)	19,329	415,310
Anderson's Tax and Investment Services Pty Ltd a Company related to Ross Anderson has paid expenses on behalf of the Group and been reimbursed these costs. (Total GST Inclusive)	-	273
Commmins Enterprises Pty Ltd a Company related to Director George Roger Commmins has provided manufacturing services to the Group (Total GST Inclusive)	1,216,293	1,355,883
Aquacomm Pty Ltd a Company related to Director George Roger Commmins is a contract Murray cod grower to Murray Cod Australia Limited. Purchase of contract grown Murray cod less costs and miscellaneous materials and goods, and purchase of fish growing products (GST Inclusive)	1,033,351	538,766
Bamford Partners a Company related to Director Martin Priestley was paid expense payment reimbursements (Total GST Inclusive)	1,542	756
Market Sniper Ltd a Company related to Director Ross Anderson was paid for Marketing Consulting (Total GST Exclusive)	240,000	-
Sales of goods and services		
Aquacomm Pty Ltd a Company related to Director George Roger Commmins has been sold Murray cod feed and contract services from Murray Cod Australia Limited (GST Inclusive)	-	18,639
Aquacomm Pty Ltd a Company related to Director George Roger Commmins has been sold advanced fingerlings from Murray Cod Australia Limited (GST Inclusive)	87,200	50,985

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	2023 \$	2022 \$
Financial Assets			
Financial assets at amortised cost			
• Cash and cash equivalents	9	11,424,244	27,027,855
• Trade and other receivables	10	620,268	651,123
• Investments in unlisted shares	12	123	103
Total Financial Assets		12,044,635	27,679,081
Financial Liabilities			
Financial liabilities at amortised cost			
• Trade and other payables	18	2,832,607	998,437
• Borrowings	19	2,633,072	2,331,761
Total Financial Liabilities		5,465,679	3,330,198

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). The Group is exposed to financial risk arising from the carrying out of agricultural activities. 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 minimal credit risk exposure in 2023 as exports have been minimal. 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 at 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.

	Note	Consolidated Group	
		2023 \$	2022 \$
Cash and cash equivalents:			
• AA Rated		11,424,244	27,027,855
	9	11,424,244	27,027,855

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 analysis 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 table below 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		1 to 5 years		Over 5 years		Total	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Financial liabilities due for payment								
Bank overdraft and loans	397,742	58,819	-	-	-	-	397,742	58,819
Trade and other payables	2,832,607	998,437	-	-	-	-	2,832,607	998,437
Finance lease liabilities	691,198	637,583	1,544,132	1,635,359	-	-	2,235,330	2,272,942
Financial guarantees	-	-	-	-	-	-	-	-
Total expected outflows	3,921,547	1,694,839	1,544,132	1,635,359	-	-	5,465,679	3,330,198

Consolidated Group	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Financial Assets - cash flows realisable								
Cash and cash equivalents	11,424,244	27,027,855	-	-	-	-	11,424,244	27,027,855
Trade, term and loan receivables, contract costs and right of return goods asset	620,268	651,123	-	-	-	-	620,268	651,123
Total anticipated inflows	12,044,512	27,678,978	-	-	-	-	12,044,512	27,678,978
Net (outflow) / inflow on financial instruments	8,122,965	25,984,139	(1,544,132)	(1,635,359)	-	-	6,578,833	24,348,780

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 2023 or 2022 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:

Floating rate instruments	Note	Consolidated Group	
		2023 \$	2022 \$
Bank overdrafts and credit card facilities		397,742	58,819
		397,742	58,819

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 Companies' operations.

d. Financial risk arising from agricultural activities

The Group is exposed to financial risk due to operating an agricultural activity being in the business of aquaculture. The risk is managed by:

- i) A Biosecurity Plan has been put in place to protect the value of the biological asset; and
- ii) Murray cod is sold in various markets to protect the company from commodity price risk, the various markets are the live and processed fish markets, and domestic and overseas markets. Murray cod is also sold at various sizes to protect from commodity price risk.

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 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 2023			
	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements					
Inventory					
Inventory at fair value through profit or loss					
• Biological assets	11	-	-	19,561,759	19,561,759
Total Inventory assets recognised at fair value on a recurring basis		-	-	19,561,759	19,561,759
Non-financial assets					
Water rights and licences	15	2,538,600	-	-	2,538,600
Total non-financial assets recognised at fair value on a recurring basis		2,538,600	-	-	2,538,600
Non-recurring fair value measurements					
Land and buildings	14	-	27,116,519	-	27,116,519
Total non-financial assets recognised at fair value on a non-recurring basis		-	27,116,519	-	27,116,519
Total non-financial assets recognised at fair value		2,538,600	27,116,519	-	29,655,119

The Land and Buildings:

"Silverwater" 563 Pinehope Road, GRONG GRONG NSW 2652

Farm 1444d, Bilbul Road, BILBUL NSW 2680

1795 Old Narrandera Road EUBERTA NSW 2650

Were revalued in accordance with the Valuations prepared at 30 June 2022 by:

LAWD

Level 17, 12 Creek Street, BRISBANE QLD 4000.

The Land

"Waverley Park" 809 Houghton Road, GOGELDRIE NSW 2705 was purchased during the 2023 financial year, this property remains valued at cost as the directors believe the fair value of this property at 30 June 2023 has not changed from the cost paid.

		30 June 2022			
	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring Fair Value Measurements					
Inventory					
Inventory at fair value through profit or loss					
• Biological assets	11	-	-	13,741,558	13,741,558
Total Inventory assets recognised at fair value on a recurring basis				13,741,558	13,741,558
Non-financial assets					
Water rights and licences	15	2,721,850			2,721,850
Total non-financial assets recognised at fair value on a recurring basis		2,721,850			2,721,850
Non-recurring fair value measurements					
Land and buildings	14	-	25,450,000	-	25,450,000
Total non-financial assets recognised at fair value on non-recurring basis			25,450,000		25,450,000
Total non-financial assets recognised at fair value		2,721,850	25,450,000		28,171,850

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

Description	Fair value (\$) at 30 June 2023	Valuation technique(s)	Inputs used
Non-financial assets			
Land and buildings (i)	27,116,519	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology.	Price per hectare; market borrowing rate
	27,116,519		

- (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 2022 to 30 June 2023, from \$18.19/kg to \$23.53/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

	Note	Consolidated Group	
		2023 \$	2022 \$
Asset Revaluation Reserve			
Revaluation of land and buildings and water rights and licences	29	(137,437)	14,219,996
Movement in Asset Revaluation Reserve		(137,437)	14,219,996
Options Reserve			
Options issued, expensed and vested during the year		2,114,270	2,263,543
Options exercised during the year		-	(3,215,177)
Options cancelled during the year		(103,791)	(186,684)
Movement in options reserve		2,010,479	(1,138,318)

Note 31 Company Details

The registered office of the Group is:

Murray Cod Australia Limited
2-4 Lasscock Road
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

2-4 Lasscock Road, GRIFFITH NSW 2680

113 Cudmore Road, POMONA NSW 4568

"Waverley Park" 809 Houghton Road, GOGELDRIE NSW 2705

1360 Whitton Road, STANBRIDGE 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 13 to 55, 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 2023 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 27th day of September 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Murray Cod Australia Ltd and its
Controlled Entities

RSM Australia Partners

12 Anderson Street West, Ballarat VIC 3350

PO Box 685 Ballarat VIC 3353

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Opinion

We have audited the financial report of Murray Cod Australia Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other 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 financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our 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 2023 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

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

We 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.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Biological assets Refer to Note 11 in the financial statements	
The Group's biological assets at 30 June 2023 were valued at \$19,561,759. AASB141 <i>Agriculture</i> 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	My procedures to address the valuation of biological assets included, amongst other things: ▪ undertaking a review of the information technology general controls over the inventory management system; ▪ performing a reconciliation based on opening stock balances and testing a sample of fish movements

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Key Audit Matter	How our audit addressed this matter
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 on the weight of individual fish. These values are based on recent sales.	(including purchases, sales, breeding, harvest and mortalities) to supporting documentation to assess the reasonableness of closing fish stock; ▪ review of harvest reports to ensure the reasonableness of harvested kilograms during the year; ▪ review of recent sale and purchase prices and undertaking a comparison to 30 June 2023 valuation for reasonableness; ▪ review of changes in fair value for the year; and ▪ review of the provision of biological assets including discussions with management to determine the reasonableness of the provision. Consideration was also given to the likelihood of recovery of this provision.

Goodwill

Refer to Note 15 in the financial statements

At 30 June 2023, the Group held goodwill with a carrying amount of \$2,113,167.

We have determined the impairment of goodwill to be a Key Audit Matter because of the materiality of the goodwill balance and because of the significant management judgements and assumptions used to determine the value in use of the CGU which contains it.

The calculation of the recoverable amount of the CGU involves judgement about the future underlying cashflows, estimated growth rates as well as judgements of an appropriate discount rate to apply.

My procedures included, amongst other things:

- updating our understanding of management's impairment testing process;
- holding discussions with management, reviewing the Group's ASX announcements and reading minutes of the director's meetings to gather sufficient information regarding the operations of the current reporting period, as well as the expectations going forward;
- assessing the reasonableness of management's determination that goodwill should be allocated to a single CGU in accordance with AASB 136 *Impairment of Assets*, based on the nature of the Group's business;
- assessing the valuation methodology used to determine the recoverable amount of the goodwill;
- evaluating the methods and assumptions used to estimate the present value of future cash inflows, including challenging the reasonableness of the following:
 - Future growth rates
 - Discount rates
 - Terminal value
- reviewing management's sensitivity analysis over the key assumptions used in the model, including the consideration of the available headroom and assessing whether the assumptions had been applied on a consistent basis across each scenario;
- checking the mathematical accuracy of the cash flow model; and
- reviewing the completeness and accuracy of the disclosures included in the financial report to ensure compliance with Australia Accounting Standards.

Other Information

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 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 6 – 10 of the directors' report for the year ended 30 June 2023.

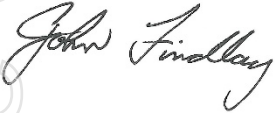
In our opinion, the Remuneration Report of Murray Cod Australia Ltd and its Controlled Entities, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "John Findlay".

JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 27th day of September 2023

Additional Information For Listed Public Companies

The following information is current as at 27th August 2023:

1. Shareholding

a. Distribution of Shareholders

Category (size of holding)	Number	
	No. of Holders	No. of Units
1-1,000	112	10,207
1,001 – 5,000	554	1,669,942
5,001 – 10,000	343	2,700,137
10,001 – 100,000	1,114	43,773,287
100,001 – and over	488	717,599,815
	2,611	765,753,388

b. The number of shareholdings held in less than marketable parcels is 431.

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

Shareholder	Number	
	Ordinary	Preference
Entities controlled by Mathew Ryan	113,571,429	-
HSBC Custody Nominees	83,177,697	-
JP Morgan Nominees Australia Pty Ltd	71,636,964	-
Entities controlled by Ross Anderson	63,054,892	-

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.

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e. 20 Largest Shareholders - Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. HSBC Custody Nominees (Australia) Limited	83,177,697	10.86
2. JP Morgan Nominees Australia Pty Ltd	71,636,964	9.36
3. M & B Ryan Pty Ltd	62,771,429	8.20
4. Brigalow Enterprises Pty Ltd	43,142,857	5.63
5. Buttonwood Nominees Pty Limited	38,300,000	5.00
6. Andersons Investment Services Pty Ltd	33,054,892	4.32
7. Kimbalex Investments Pty Ltd	30,000,000	3.92
8. Brondlax Pty Ltd	18,070,723	2.36
9. M & B Ryan Pty Ltd	12,500,000	1.63
10. The Esplanade Superannuation Pty Ltd	10,370,000	1.35
11. Timothy Mitchell Commins & George Roger Commins & Kerry Jean Forbes	9,096,774	1.19
12. Albins Pty Ltd	9,089,552	1.19
13. SCMG Pty Ltd	9,000,000	1.18
14. Cameron Ray Townsend & Therese Margaret Townsend	8,200,000	1.07
15. Geoffrey Leonard Grimish & Mary Olive Grimish	8,070,006	1.05
16. Timothy Mitchell Commins & Jason Joseph Mimmo	7,920,761	1.03
17. Commins Partnership Pty Ltd	7,190,000	0.94
18. Grenfell FM Pty Ltd	7,000,000	0.91
19. Ian Charles & Michelle Charles	5,600,000	0.73
20. Dnomyar Pty Ltd	5,500,000	0.72

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

3. The address of the principal registered office in Australia is 2-4 Lasscock Road, Griffith NSW 2680. Telephone 02 69 625470.

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 43,980,000 Options are on issue

7. Other Disclosures

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

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