



# ANNUAL REPORT 2017

#### MURRAY COD AUSTRALIA LIMITED - FINANCIAL REPORT

#### **CORPORATE DIRECTORY**

ABN 74 143 928 625

#### **Directors**

Martin Priestley
Douglas O'Neill (Resigned 16/12/16)
Ross Anderson
Morgan Barron (Resigned 23/6/17)
Mathew Ryan (Appointed 16/1/17)
George Roger Commins (Appointed 16/1/17)

#### **Company Secretaries**

Wendy Dillon Brett Tucker

#### Registered office

Level 1
153 Yambil Street
Griffith, NSW 2680
Australia
Telephone +61 2 69625470
Fax +61 2 69641546
Mail PO Box 492
Griffith, NSW 2680

#### **Solicitors**

Bellanhouse Legal Ground Floor 11 Ventnor Ave West Perth, WA. 6872

#### Bankers

Commonwealth Bank of Australia Regional and Agribusiness Banking Level 1, 246-250 Banna Avenue Griffith, NSW, 2680

#### Auditors

PinnacleHPC Pty Ltd 135 Yambil Street Griffith, NSW 2680

#### Website

www.murraycodaustralia.com

# MURRAY COD AUSTRALIA LIMITED AND CONTROLLED ENTITIES

ABN: 74 143 928 625

# Financial Report For The Year Ended 30 June 2017

CONTENTS	Page
Operating and Financial Review	1
Directors' Report	3
Remuneration Report	5
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16
Directors' Declaration	54
Independent Auditor's Report	55
Additional Information for Listed Public Companies	59

#### MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES OPERATING AND FINANCIAL REVIEW

#### **Principal Activities**

The principal activities of the company during the financial year were:

- Breeding, growing and marketing of Murray Cod, a premium freshwater table fish;
- construction and sale of aquaculture equipment.

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

#### **Significant Changes to Activities**

The following significant changes in the nature of the principal activities occurred during the financial year:

- the entity ceased its activities in gold exploration;
- the entity acquired 3 separate aquaculture businesses pursuant to a prospectus dated 24 November 2016;
- details of the transactions which occurred can be found on the company's website www.murraycodaustralia.com

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

#### **Our Business Model and Objectives**

Providing satisfactory 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 EBITDA for the Aquaculture Business was (\$10,994).

#### **Review of Operations**

#### Aquaculture

The company operates a hatchery, a nursery, and grow out farms in an integrated business that produces Murray Cod, a premium white fleshed table fish. Our operational capacity increased significantly during the year through modifications made to the hatchery and through additional ponds being constructed and fitted out in the grow out farms. Our spawnings from last spring were very successful. Those larvae which were not sold to Government re-stocking programs have now grown to the point where they are ready to stock out to grow out ponds. We expect in excess of 400,000 fish to be stocked out to ponds this spring.

Significant improvements have been experienced throughout the company as a result of the merging of the three businesses. As the acquisitions occurred on 16 January 2017 and two of the businesses acquired were not companies, the results shown in this report do not fully reflect the combined operations for the acquired businesses for the whole of the financial year. Accounting for the acquistions has been undertaken in accordance with Australian Accounting Standard AASB 3.

Overall, results of the business have been in line with expectations, with the acquisition of the aquaculture assets contributing as expected in the period under review.

#### **Financial Position**

The net assets of the entity have increased by \$9,346,148 from 30 June 2016 to \$9,234,073 in 2017. This increase has largely resulted from the following factors:

- acquisition of aquaculture assets;
- proceeds from share issues raising \$10,000,000.

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

#### Significant Changes in State of Affairs

The following significant changes in the state of affairs of the entity occurred during the financial year:

- On 16 January 2017 the company acquired the businesses of Silverwater Native Fish (Hatchery), Bidgee Fresh Pty Ltd (Nursery) and Riverina Aquaculture (Grow out Farm);
- ii. On 16 January 2017 the company issued 282,885,715 ordinary shares and 26,428,571 deferred ordinary shares pursuant to a prospectus dated 24 November 2016. In addition 90,350,000 options and 15,000,000 performance rights were issued under the same prospectus;
- $iii. \hspace{0.5cm} \textbf{Of the above shares issued 200,000,000 were issued at 5 cents each to raise \$10,000,000 in fresh capital for the Company;}\\$
- iv. The full details of the transactions can be found on the company's website at www.murraycodaustralia.com
- v. On 17 January 2017 The Company changed its name from Timpetra Resources Limited to Murray Cod Australia Limited;
- vi. In March 2017 the company ceased its business as a gold explorer and relinquished its rights in the Jillewarra tenements.

#### **Events after the Reporting Period**

Since the end of the reporting period negotiations have been undertaken and agreement in principle has been made to lease a property that will have capacity for stocking 300,000 fish into grow out ponds. It is expected that construction of this site will commence towards the end of September 2017 and be completed before June 2018.

#### Future Developments, Prospects and Business Strategies

Current areas of strategic focus of the company 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;
- Implement strong brand collateral and marketing plan with a view to signing export agreements in the first half of 2018.

#### MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES OPERATING AND FINANCIAL REVIEW

#### **Business Risks**

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

- Any biological product is subject to disease and other health risks. Whilst we currently have excellent bio security protocols and have had no
  major issues to deal with during the year, the possibility of unkown disease or environmental risks is always prevalent. 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 suffered a severe downturn then it is likely that
  our sales would be affected.
- If a downturn occurred in the Asian or global economies it may become more difficult for us to gain export orders.

#### **Environmental Issues**

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

The Company is proud of its innovative operation which results in an extremely low impact on the environment.

- i. All water utilised in the fish ponds or aquaculture facilities is used as irrigation water on crops and pastures on the same site. This means nutrient enriched water is used in agricultural operations which operate in tandem with the aquaculture operations;
- ii. From our hatchery we sell hundreds of thousands of native fish larvae to NSW, Victorian and South Australian governments for re-stocking of native waterways and dams. We are proud to be involved in boosting the native fish population on an annual basis.
- iii. No water leaves our sites. This means no water from our aquaculture operations makes its way into any public channels or native waterways and as such our aquaculture operations have zero environmental impact on the native waterways of inland Australia.

### MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES DIRECTORS' REPORT

Your directors present their report on the entity MURRAY COD AUSTRALIA LIMITED for the financial year ended 30 June 2017. The information in the preceding Operating and Financial Review forms part of this Directors Report for the financial year ended 30 June 2017 and is to be read in conjunction with the following information:

#### **General Information**

#### **Directors**

The following persons were directors of the Company during or since the end of the financial year up to the date of this report:

Ross James Anderson

Mathew John Ryan

Martin Andrew Priestley

George Roger Commins

Douglas O'Neill

Morgan Barron

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 2017.

#### **Indemnifying Officers**

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of directors and officers of the company, other than conduct involving a wilful breach of duty in relation to the company. The premiums for this insurance amounted to \$18,528.40.

#### Proceedings on Behalf of the Company

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

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

#### **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 Ernst & Young for non-audit services provided during the year ended 30 June 2017:

	Ψ
Taxation services	
Due diligence investigations	5,000
	5,000

#### **Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 9 of the Financial Report.

#### **Options**

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

Grant Date	Date of expiry	Exercise price	Number under option
16/01/2017	31/01/2022	\$ 0.075	85,000,000
16/01/2017	31/01/2021	\$ 0.075	350,000
16/01/2017	31/01/2022	\$ 0.075	5,000,000
			90,350,000

Options holders do not have any rights to participate in any issues of shares or other interests in the company 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 2017, no shares of Murray Cod Australia Limited were issued on the exercise of options granted. No further shares have been issued since year end. No amounts are unpaid on any of the shares.

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

#### **Options continued**

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

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

The company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies, but the company 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 Company Secretaries

Ross James Anderson Chairman

Chartered Accountant, Bcom (with Merit), CTA Qualifications

Nil

25 years as Chartered Accountant,17 years as AFSL Holder, 2 years as Director of MCA Experience Interest in Shares and Options 13,444,582 ordinary shares, 15,000,000 options and 15,000,000 performance rights

Directorships held in other listed entities during the three years prior to the

current year

Mathew John Ryan

Qualifications **BRurSc** 

Experience 18 Years in Agricultural Industry including 6 years in Aquaculture

Managing Director

68,928,572 ordinary shares, 19,642,587 deferred ordinary shares, 40,000,000 options Interest in Shares and Options

Directorships held in other listed entities during the three years prior to the

current year

Director

Nil

Martin Andrew Priestley Qualifications BSc(Hons)

Over 30 years experience in Banking and Finance Experience Interest in Shares and Options 2,000,000 ordinary shares and 2,000,000 options Nil

Directorships held in other listed entities during the three years prior to the

current year

Director

George Roger Commins

Experience over 35 years in Agribusiness

Interest in Shares and Options Directorships held in other listed entities during the three years prior to the

current year

20,901,443 ordinary shares, 6,785,714 deferred ordinary shares and 20,000,000 options

Nil

#### **Company Secretaries**

The following persons held the position of company secretary at the end of the financial year: Brett Tucker CA. and Wendy Dillon CA.

#### **Meetings of Directors**

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors N	leetings
	Number Eligible to Attend	Number Attended
Ross James Anderson	8	8
Mathew John Ryan	5	5
Martin Priestley	8	8
George Roger Commins	5	5
William O'Neill	3	2
Morgan Barron	8	8

#### MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES 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 entity'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 entity, 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 entity is as follows:

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

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

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE). Some individuals, however, have chosen 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.

All remuneration paid to KMP is valued at the cost to the company 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 the annual general meeting.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' 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 once the interim or final financial report has been disclosed to the public and is measured using the Binomial methodology.

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

In addition, the Board's remuneration policy prohibits directors and KMP from using Murray Cod Australia Limited shares as collateral in any financial transaction, including margin loan arrangements.

#### **Performance-based Remuneration**

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

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

In determining whether or not a KPI has been achieved, Murray Cod Australia Limited bases the assessment on audited figures.

#### Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The method applied to achieve this aim, involves the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests.

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

#### Performance Conditions linked to Remuneration

Incentive payments result where the company returns operating production and meets the targets laid down in the options deeds. The details of these options and performance rights hurdles can be found in the prospectus dated 24 November 2016 on our website at www.murraycodaustralia.com

The performance related proportions of remuneration based on these targets are included in the following table. The objective of the reward schemes is to both reinforce the short and long-term goals of the entity and to provide a common interest between management and shareholders. Options granted as part of the transactions to acquire the aquaculture business on 16/1/17 are not included in this remuneration report as they were part of purchase consideration not remuneration.

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

#### **Employment Details of Members of Key Management Personnel**

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

	Position He		June 2017 and any change g the year	Contract details (duration & termination)
Key Management Personnel Ross James Anderson Mathew John Ryan George "Roger" Commins	Chairman Managing Director Proportions of 6	ctor		No fixed term. 3 months notice 3 Years. 6 months notice No fixed term. 3 months notice
	remuneration re performance (of options issued) Non-salary	lated to ther than	Proportions of elements of remuneration not related to performance	
	cash-based incentives %	Shares/ Options %	Fixed Salary/Fees %	
Key Management Personnel				
Ross James Anderson			100	
Mathew John Ryan			100	
George Roger Commins			100	

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

#### Changes in Directors and Executives Subsequent to Year End

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

#### Remuneration Expense Details for the Year Ended 30 June 2017

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 Company. Such amounts have been calculated in accordance with Australian Accounting Standards:

#### Table of Benefits and Payments for the year ended 30 June 2017

		Short-tern	n benefits		Post-emplo Benefi	•
###	Salary, Fees and Leave \$	Profit Share and bonuses	Non-monetary	Other \$	Pension and superannuation \$	Other \$
Key Management Personnel	Ψ	•	Ψ	Ψ	Ψ	Ψ
Ross James	43,654	11.			- 4,147	-
Mathew John Ryan	68,269				- 6,486	-
Martin Andrew Priestley	30,000					-
George Roger Commins	13,654				- 1,297	_
Morgan Barron	30,000	HHI			- 2,850	
Douglas O'Neill	15,000	11 31 7	1 1			-
Total Key Management		11.77	111	/		
Personnel	200,577		V 3 3 4 4		- 14,780	

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

#### 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.

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

#### **Options and Rights Granted**

		Balance at Beginning of Year		Grant Details		Exerc	ised
					Value \$	No.	Value \$
	Note	No.	Issue Date	No.	(Note 1)		
Key Management Personnel							
Ross James Anderson	1a	/-	16/01/2017	15,000,000	375,000	-	-
Ross James Anderson	1b	0 / 2	16/01/2017	15,000,000	260,245	-	-
Martin Priestley	1c		16/01/2017	2,000,000	34,700	-	-
Douglas O'Neill	1c	19	16/01/2017	2,000,000	34,700	-	-
Morgan Barron	1c		16/01/2017	2,000,000	34,700	-	-
				36 000 000	739 345	_	_

	Lapsed	Balance at End of Year		Vested		Unvested
	No. (Note 2)	No.	Exercisable No.	Unexercisable No.	Total at End of Year No.	Total at End of Year No.
Key Management Personnel				V /		
Ross James Anderson	Options	15,000,000	-	0.00%	0.00%	100.00%
Ross James Anderson	Perf Rights	15,000,000	-	0.00%	0.00%	100.00%
Martin Priestley	Options	2,000,000	-	0.00%	0.00%	100.00%
Douglas O'Neill	Options	2,000,000	-	0.00%	0.00%	100.00%
Morgan Barron	Options	2,000,000	-	0.00%	0.00%	100.00%
	W	36,000,000	-	-	-	-

- Note 1 The fair value of options granted as remuneration as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions necessary for vesting are satisfied.
- Note 1a The options were granted as a performance incentive for the successful capital raising and acquisition of Aquaculture businesses as disclosed elswhere in this annual report. The options have an exercise price of 7.5 cents each and convert to orinary shares upon exercise. It is should be noted that if either the share price does not rise above the exercise price or the performance hurdles are not met then these benefits could end up being worthless.
- Note 1b The performance rights have been granted as an incentive to develop the growth of the company over the following 5 years. They are broken into three tranches of 5 million rights each. Vesting conditions are as follows: 5 million are vested upon production and sale of 50 tonnes of Murray Cod within 3 years. 5 million rights vest upon production and sale of 100 tonnes within 4 years and the remaining 5 million rights vest upon production and sale of 150 tonnes of Murray Cod within 5 years from the date of issue.
- Note1c All of the options issued in the last financial year have an exercise price of 7.5 cents each.
  - 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.
- Note 2 No options have become vested, lapsed or been exercised during the year.

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

#### **KMP Shareholdings**

The number of ordinary shares in Murray Cod Australia Limited held by each KMP (or their controlled entity) of the Company during the financial year is as follows:

	Balance at	Granted as	Issued on Exercise of		
	Beginning of Year	Remuneration during the Year	Options during the Year	Other Changes during the Year	Balance at End of Year
Ross James	12,500,000	-		944,582	13,444,582
Mathew John Ryan	10,000,000	-	_	58,928,572	68,928,572
Martin Priestley	2,000,000	/	-		2,000,000
George Roger					
Commins	544,300			20,357,143	20,901,443
	25,044,300	-		80,230,297	105,274,597

#### 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 key management personnel

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

#### Other transactions with KMP and/or their related parties

There were no other transactions conducted between the company 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: 25th September 2017



#### MURRAY COD AUSTRALIA LIMITED AND CONTROLLED ENTITIES

# AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MURRAY COD AUSTRALIA LIMITED

PinnacleHPC Pty Ltd ABN 15 866 782 108

**Principals** 

John P Keenan CPA Morris G Massarotto CPA Graeme J Lyons CA Geoffrey M Marin CPA Allan J Andreazza CPA Angela C.Favell CPA John P Farronato CA

Consultant Frank S Sergi CPA

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

J.P. Keenan CPA

Registered Company Auditor 156228 135 Yambil Street Griffith NSW 2680

Alleenan

Dated this 25

day of Neptember 2017

9

# MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated	d Group	Parent E	Entity
		2017	2016	2017	2016
	Note	\$	\$	\$	\$
Continuing operations					
Revenue	2	1,822,677	395,135	1,531,941	18,892
Other income	2	260,323	-	/ //-	14,761
Employee benefits expense		(497,699)	-	(400,100)	-
Cost of sales - equipment		(77,990)	(286,398)	(33,215)	-
Cost of sales - fish purchases		(732,012)	(76,682)	(602,019)	-
Administratiive and other expenses		(214,772)	(121,880)	(294,702)	(360,450)
Fish farm operating expenses		(619,432)	-	(436,523)	-
Exploration expenditure		(31,800)	-	(46,259)	(50,915)
Depreciation and amortisation expense		(115, 159)	(22,350)	(57,108)	-
Other expenses	<u>3</u>		-	_	(32,852)
Profit before income tax		(205,864)	(112,175)	(337,985)	(410,564)
Tax expense	4	(9,292)	1 -	115,696	8,450
Net profit after tax attributable to members		(215,156)	(112,175)	(222,289)	(402,114)
Other comprehensive income					
Expense goodwill on acquisition of businesses	13	(6,229,119)		(6,229,119)	
Total profit/(loss) and other comprehensive income		(6,444,275)	(112,175)	(6,451,408)	(402,114)
Earnings per share					
Basic earnings per share (cents)	7	(0.02)		(0.02)	
Diluted earnings per share (cents)	7	(0.01)		(0.01)	

The accompanying notes form part of these financial statements.

# MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		Consolidate	d Group	Parent E	Entity
		2017	2016	2017	2016
	Note	\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	3,132,325	47,731	3,118,790	594,256
Trade and other receivables	9	350,980	85,372	825,110	12,737
Biological assets and inventory	10	2,061,796	277,863	2,061,796	- /
Other assets	14	15,816		15,816	17,157
TOTAL CURRENT ASSETS		5,560,917	410,966	6,021,513	624,150
NON-CURRENT ASSETS					
Property, plant and equipment	12	4,620,369	819,251	3,793,638	_
Deferred tax assets	17	164,030	-	132,828	_
Intangible assets	13	-		-	
TOTAL NON-CURRENT ASSETS	. •	4,784,399	819,251	3,926,466	_
TOTAL ASSETS		10,345,316	1,230,217	9,947,978	624,150
LIABILITIES			///		
CURRENT LIABILITIES	4.5	744.050	4.050.000	405.750	04.000
Trade and other payables	15	714,852	1,050,822	195,759	61,290
Borrowings	16 17	45,980	58,547	45,980	-
Current tax liabilities Provisions	18	6,717	/ //	6,717	-
TOTAL CURRENT LIABILITIES	10	767,549	1,109,369	248,456	61,290
TOTAL CONNENT LIABILITIES		707,549			01,290
NON-CURRENT LIABILITIES					
Borrowings	16	170,374	232,923	170,374	-
Deferred tax liabilities	17	173,320	-	17,132	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	7	343,694	232,923	187,506	-
TOTAL LIABILITIES	1	1,111,243	1,342,292	435,962	61,290
NET ASSETS	/ /	9,234,073	(112,075)	9,512,016	562,860
EQUITY					
Issued capital	19	13,496,544	100	14,826,552	1,330,108
Reserves	28	1,904,120	-	1,993,552	89,432
Retained earnings		(6,166,591)	(112,175)	(7,308,088)	(856,680)
TOTAL EQUITY		9,234,073	(112,075)	9,512,016	562,860
			, ,		

The accompanying notes form part of these financial statements.

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	ı		Share Capital						Reserves	rves				
	Note	Ordinary	Redeemable Preferred	Deferred Ordinary Shares	Retained Earnings	Capital Profits Reserve	Revaluation Surplus	Asset Realisation Reserve	Foreign Currency Translation Reserve	General Reserve	Option Reserve	Performance Share Based Rights Payment Reserve Reserve	Share Based Payment Reserve	TOTAL
Consolidated Groun		s	€	φ	s	₽	€	₩	₩	es	₩	₽	<b>⇔</b>	₽
Balance at 1 July 2015  Petrospective adjustment inon change in accounting policy.		100	7			1							1 1	100
Netrospective adjustment upon claring in accounting poincy Balance at 1 July 2015 (restated)		100												100
Comprehensive income Profit for the year		1			(112,175)					/	di		5	(112,175)
Other comprehensive income for the year  Total comprehensive income for the year	1 1				(112,175)									(112,175)
Transactions with owners, in their capacity as owners, and other transfers														
Shares issued during the year Transaction costs			1 1	1 1	1 1		1 1	. (		1 1				1 1
Dividends recognised for the year Option reserve on recognition of bonus elements of option														
Transfer from option reserve on exercise of option	I										1	1		1
יסומו נומווסמכנוסווס אונוו סאיופוס מווע סנופו נומווסופוס	1	'												'
Other Capital profit on sale of investments transferred from														
retained earnings to capital profits reserve Transfers from retained earnings to general reserve		' '							)					
Total Other	1 1			•	•		-		6	-				•
Balance at 30 June 2016	11	100			(112,175)	'	•	1				1		(112,075)
Balance at 1 July 2016		100	ı	•	(112,175)				•	•	'		'	(112,075)
Comprehensive income Profit for the year		ı	1	1	(215,156)					-	1			(215,156)
Outer comprehensive income for the year  Total comprehensive income for the year	1 1				(6,444,275)									(6,444,275)
Transactions with owners, in their capacity as owners, and other transfers														
Shares issued during the year		14,144,285	•	660,714	•	'	•	•	•					14,804,999
Transaction costs Shares bought back during the vear		(1,308,555)				' '		' '			' '			(1,308,555)
Options issued during the year		'	•	•	•	,	•	•	•		1,529,120			1,529,120
Performance rights issued during the year		•	•	•	•	•	•	•	•	•		375,000		375,000
Transfer from option reserve on exercise of option Option expense recognised in the year														 )
Total transactions with owners and other transfers	1 1	12,835,730		660,714							1,529,120	375,000		15,400,564

# MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

		0,	Share Capital						Reserves	ves				
Z	Note	Ordinary	Redeemable Preferred	Deferred Ordinary Shares	Retained Earnings	Capital Profits Reserve	Revaluation Surplus	Asset Realisation Reserve	Foreign Currency Translation Reserve	General Reserve	Option Reserve	Performance Share Based Rights Payment Reserve Reserve	share Based Payment Reserve	TOTAL
	l	69	€9	€	<b>69</b>	s	ss.	€9	69	€9	49	€	s	s
Other Elimination of Parent Company Share Capital on														
Consolidation			•	•	1,330,109		•	•				-	•	1,330,109
Elimination of Parent Company Share Payment Reserve on Consolidation		٠		1	89,433		•	,	'			>	•	89,433
Elimination of Parent Company Losses on Consolidation		•		1	(1,029,683)		•		1	-		•		(1,029,683)
Total Other		į	/. 	1	389,859		1	•			•	-		389,859
Balance at 30 June 2017	17	12,835,830		660,714	(6,166,591)	-	1	-	1	-	1,529,120	375,000	-	9,234,073
The accompanying notes form part of these financial statements.	, si				1				C			3		
	Ĺ		Share Capital	•					Reserves	ves				Ī
z	Note	Ordinary	Redeemable Preferred	Deferred Ordinary Shares	Retained Earnings	Capital Profits Reserve	Revaluation Surplus	Asset Realisation Reserve	Foreign Currency Translation Reserve	General Reserve	Option Reserve	Perfornance S Rights Reserve	Share Based Payment Reserve	Total
Parent Entity		s	ક્ક	ક્ર	s	89	s	89	s	s	ક્ર	€9	s	s
Balance at 1 July 2015 Retrospective adjustment upon chance in accounting policy		1,329,008			(454,566)		' '			1 1			89,432	963,874
Balance at 1 July 2015 (restated)	`	1,329,008	1	1	(454,566)					\			89,432	963,874
Comprehensive income Profit for the year		,	1	ı	(402,114)		A	//						(402,114)
Otner comprehensive income for the year	ļ	1		1		1		1			•			
Total comprehensive income for the year		•		•	(402,114)					•	•			(402,114)
Transactions with owners, in their capacity as owners, and other transfers														
Shares issued during the year		1,100	•	•	•	'			1		•	/	-	1,100
Transaction costs		•	•	•	•	•	1	•	-		•	-		1
Dividends recognised for the year		1	•	1	•		•	•						
Option reserve on recognition of bonus elements of option		•	1	1			1	1	,				•	1
Transfer from option reserve on exercise of option		•	'	•	•		•	•	٠		•			•
Total transactions with owners and other transfers		1,100		1					1	•		•		1,100
Other Capital profit on sale of investments transferred from retained earnings to capital profits reserve Transfers from retained earnings to general reserve		1 1	1 1	1 1	1 1	1 1		1 1		1 1			<i>M</i> .	7

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

		Share Capital						Reserves	irves				
	Ordinary	Redeemable Preferred	Deferred Ordinary Shares	Retained Earnings	Capital Profits Reserve	Revaluation Surplus	Asset Realisation Reserve	Foreign Currency Translation Reserve	General Reserve	Option Reserve	Performance Rights Reserve	Performance Share Based Rights Payment Reserve Reserve	TOTAL
. 1	\$	\$	ક	\$	\$	ક્ક	\$	\$	\$	\$	\$	\$	8
					-	•	•		7		5	•	•
	1,330,108	1	•	(856,680)	•		•			-		89,432	562,860
	1,330,108		•	(856,680)		•				3		89,432	562,860
			Í	(222,289)				'			>		(222,289)
				(6,229,119)		•		•	/	'	'	2	(6,229,119)
	•			(6,451,408)	'		•	•			>	-	(6,451,408)
	14,144,285 (1,308,555) -		660,714										14,804,999 (1,308,555)
	1 1 1 1	1 1 1 1	1 1 1 1							1,529,120	375,000		1,529,120 375,000
	12,835,730		660,714	1		-				1,529,120	375,000		15,400,564
	1	1	1	•						1			•
			1 1	V	V		1						
		•	'	'	İ	•			-	·		•	-
		'		'	•				-		-		
	14,165,838	1	660,714	(7,308,088)	•	•	-	-	-	1,529,120	375,000	89,432	9,512,016

Transactions with owners, in their capacity as owners, and other transfers

Total comprehensive income for the year

Other comprehensive income for the year

Comprehensive income

Profit for the year

Balance at 30 June 2016

**Total Other** 

Balance at 1 July 2016

The accompanying notes form part of these financial statements.

Balance at 30 June 2017

Capital profit on sale of freehold property transferred from

Capital profit on sale of investments transferred from Transfers from retained earnings to general reserve Transfer of prior year revaluation increment to asset realisation on sale of freehold property

retained earnings to capital profits reserve

retained earnings to asset realisation reserve

Total transactions with owners and other transfers

Transfer from option reserve on exercise of option

Option expense recognised in the year

Performance Rights Issued during the year

Shares bought back during the year Options Issued during the year

Shares issued during the year

Transaction costs

#### MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

		Consolidate	d Group	Parent	Entity
	Note	2017	2016	2017	2016
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
		002.672	246 442	220.264	
Receipts from customers Interest received		803,672	346,412 17	328,261	20.709
Payments to suppliers and employees		24,851 (3,217,178)	(434,199)	37,813	20,708
Income tax paid		(3,217,170)	(434, 199)	(1,548,323)	(362,699) (959,139)
Net cash provided by (used in) operating activities	22a	(2,388,655)	(87,770)	(1,182,249)	(1,301,130)
		(2,000,000)	(01,110)	(1,102,240)	(1,001,100)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of investments		/	-	-	100,000
Proceeds from disposal of subsidiary		- (0.040.000)	(000 040)	- (0.040.444)	-
Purchase of property, plant and equipment		(3,916,923)	(839,619)	(3,849,411)	-
Payment for subsidiary, net of cash acquired  Net cash provided by (used in) investing activities	-	(2.046.022)	(020,640)	(2.040.444)	100.000
	-	(3,916,923)	(839,619)	(3,849,411)	100,000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		/ /	/////-	10,000,000	-
Proceeds from borrowings		725,855	975,020	225,855	-
Refund of Share Oversubscription		(1,196,500)	1111111-	-	-
Capital Costs on Issue of Share Capital		(711,748)	X 11 11 -	(1,308,555)	-
Bank Accounts Contributed on Consolidation		11,303,233		-	-
Withholding Tax on Dividend Paid		(707.570)	W 1 1 1 -	- (40, 405)	(69,150)
Repayment of borrowings		(737,572)	11//	(16,405)	-
Loans from related parties				(4.054.005)	
- payments made			<i>y</i> -	(1,351,605)	-
- proceeds from borrowings  Net cash provided by (used in) financing activities	1		075 000	7 540 200	(60.450)
Net increase in cash held		9,383,268	975,020	7,549,290	(69,150)
Cash and cash equivalents at beginning of financial year		3,077,690 47,731	47,631 100	2,517,630 594,256	(1,270,280) 1,864,536
Effect of exchange rates on cash holdings in foreign currencies		41,131	100	394,230	1,004,000
Cash and cash equivalents at end of financial year	8 -	3,125,421	47,731	3,111,886	594,256
	Ŭ <b>:</b>	-,,	,	-,,000	00.,=00

The accompanying notes form part of these financial statements.

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

The financial statements were authorised for issue on the 25th of September 2017 by the directors of the company.

#### Note 1 Summary of Significant Accounting Policies

#### **Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and 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, financial assets and financial liabilities.

#### (a) Principles of Consolidation

The consolidated financial statements incorporate all of the 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 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group in accordance with the relevant accounting standards. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company 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.

In accounting for a reverse acquisition, the Consolidated Entity takes guidance from the principles of AASB 3 Business Combinations (AASB3) and determines that the subsidiary is deemed to be the acquiror for accounting purposes. Accordingly the transaction is accounted for as a reverse asset acquisition. As a result the consolidated statement of financial position has been prepared as a continuation of the subsidiary Financial Statements with the subsidiary (as the accounting acquiror) accounting for the acquisition of the parent as as the date of the acquisition transaction. As the activities of the legal acquiror (parent entity) would not constitute a business based on the requirements of AASB 3, any excess of the deemed consideration over the fair value of the acquisitions, as calculated in accordance with the reverse acquisition accounting principles, cannot be taken to be a goodwill asset and will be expensed.

#### **Business Combinations**

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

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

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

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

The acquisition of a business may result in the recognition of 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;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

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.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

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

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Refer to Note 11 for information on the goodwill policy adopted by the Group for acquisitions.

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.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

#### (b) Income Tax

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

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

Deferred income 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.

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

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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 authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### (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 (ie. 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 (ie. 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

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

#### (e) Biological Assets

Biological assets compromise Muray Cod live fish. Biological assets are measured at their fair value less costs to sell in accordance with AASB 141 Agriculture, with any changes to fair value recognised immediately in the statement of 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 a biological asset or agricultural produce in its present location and condition, the quoted price in that market is the appropriate basis for determining the fair value of that 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, but at least triennial, valuations by external independent valuers, less 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 or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(j) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it 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 AssetDepreciation RateBuildings2.5%Plant and equipment5-33.33%

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### (g) Exploration and Development Expenditure

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

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

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

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

#### (h) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

#### (i) Financial Instruments

#### **Recognition and Initial Measurement**

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

Financial instruments are initially measured at fair value plus transactions 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.

#### **Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

#### (i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### (iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements, other than impairment losses and foreign exchange gains and losses, recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

#### (v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

#### Preferred Shares

Preferred share capital is classified as equity if it is non-redeemable or redeemable only at the discretion of the parent company, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the directors.

Preferred share capital is classified as a liability if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

#### Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### (i) 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 (eg 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 Group 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.

#### (k) Investments in Associates

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

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

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

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

#### (I) Intangible Assets Other than Goodwill

#### Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives.

#### 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 a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

#### (m) 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. 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

Provision 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 case the obligations are presented as current provisions.

#### (n) 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.

#### (o) 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, bank overdrafts and credit cards. Bank overdrafts and credit cards are reported within borrowings in current liabilities on the statement of financial position.

#### (p) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

#### (q) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(j) for further discussion on the determination of impairment losses.

#### (r) 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.

#### (s) Borrowing Costs

Borrowing costs directly attributable 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.

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

#### (u) Government Grants

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

#### (v) 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 statement is presented.

#### (w) Rounding of Amounts

The parent entity has not elected to obtain 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.

#### (x) New and amended accounting policies adopted by the Group

There have been no new or amended accounting policies adopted by the group that impact the annual consolidated financial statements.

#### (y) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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**

#### (i) Impairment

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.

100% impairment has been recognised in respect of goodwill at the end of the reporting period. The director's have taken a conservative approach to recording the impairment of goodwill.

#### **Key Judgements**

#### (i) Exploration and Evaluation Expenditure

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

#### (z) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

 AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

 AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).
 When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-10: Amendments to Australian Accounting Standards Sale or Contribution of Assets between an Investor and its
   Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10:
   Amendments to Australian Accounting Standards Effective Date of Amendments to AASB 10 and AASB 128).
  - This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: Business Combinations to an associate or joint venture, and requires that:
  - a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
  - the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
  - any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the
    extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against
    the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses as per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2 Revenue and Other Income					
	Note	Consolidated	d Group	Parent	Entity
		2017	2016	2017	2016
(a) Revenue from continuing operations		\$	\$	\$	\$
Sales revenue					
<ul><li>Fish Sales</li></ul>		732,012	76,682	602,019	-
Net gain from changes in fair value of biological	10(a)				
assets	10(a)	977,584	31,759	852,048	-
Equipment Sales		90,646	286,677	32,390	<u>-</u>
		1,800,242	395,118	1,486,457	
Other revenue					
<ul> <li>interest received</li> </ul>		17,532	17	40,687	18,892
<ul><li>sundry income</li></ul>		4,903	_	4,797	-
		22,435	17	45,484	18,892
Total revenue		1,822,677	395,135	1,531,941	18,892
Other income		A /	111		
gain on revaluation of listed shares		// -/	///	-	14,761
gain on debt forgiveness		260,323	-	-	-
Total other income		260,323	471 311 -	-	14,761
Total Revenue and other Income		2,083,000	395,135	1,531,941	33,653
Note 3 Profit for the Year					
	Note	Consolidated	d Group	Parent	Entity
Profit before income tax from continuing operations includes the					
following specific expenses:		2017	2016	2017	2016
(a) Expenses		\$	\$	\$	\$
Loss on disposal of non-current investments		-	-	-	32,852

			Consolidated		Parent E	
		Note	2017 \$	2016 \$	2017 \$	2016
	The components of tax (expense) income	Note	Ψ	Ψ	Ψ	Ψ
(a)	comprise:					
,	Current tax			-/	// -	-
	Deferred tax	17	(152,251)	_(	(115,696)	
	Recoupment of prior year tax losses			_		-
	Under provision in respect of prior years		161,543	-	-	(8,450)
			9,292	-	(115,696)	(8,450)
(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 30% (2016: 30%)					
	<ul> <li>consolidated group</li> </ul>		(61,759)	(33,653)		
	<ul> <li>parent entity</li> </ul>				(101,396)	(123,169)
	Add:					
	Tax effect of:					
	_ non-deductible depreciation and amortisation		/ ////	W) .	-	-
	<ul> <li>non-allowable items</li> </ul>		66,664	176,880	66,459	22,068
	<ul> <li>write-downs to recoverable amounts</li> </ul>		/ 1111	<b>4</b> / -	-	-
	<ul> <li>Carryforward losses not accounted for as deferred tax asset</li> </ul>			18,316	-	-
	Carryforward losses unable to carry forward due to					
	change in ownership and change in business			-	-	105,529
			4,905	161,543	(34,937)	4,428
	Less:					
	Tax effect of:					
	deductible expenses capitalised on balance sheet or not claimed in 2016		86,940	-	80,759	-
	adjustment to consolidated figures as part					
	year expenses removed due to reverse		54.000			
	acquisition consolidation  — foreign currency exchange profit not subject to income tax		51,900	-	-	-
	Taxation depreciation exceeding	•	_	_	_	
	accounting depreciation		_	161,543	_	_
	Unrealised gain on revaluation			-	-	4,428
	Carried Forward Losses Prior year not					, -
	accounted for as Deferred Tax Asset		18,316	-	-	-
	Recoupment of prior year tax losses not previously brought to account		<u>-</u>	<u> </u>		
	Income tax attributable to entity		(152,251)	-	(115,696)	-

#### Note 5 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 2017.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	200,577	162,332
Post-employment benefits	14,780	3,864
Other long-term benefits		-
Termination benefits		-
Share-based payments		-
Total KMP compensation	215,357	166,196

#### Short-term employee benefits

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

#### Post-employment benefits

 these amounts are the current year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

#### Other long-term benefits

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

#### Share-based payments

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

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

#### Note 6 Auditor's Remuneration

	Consolidate	d Group	Parent	=ntity
	2017	2016	2017	2016
	\$	\$	\$	\$
Remuneration of the auditor for:				
<ul> <li>auditing or reviewing the financial statements</li> </ul>	57,557	20,600	57,557	27,000
<ul> <li>non audit services</li> </ul>	-	-	-	6,250
<ul> <li>due diligence services</li> </ul>	5,000	-	5,000	-
<ul> <li>taxation services provided by related practice of auditor</li> </ul>		-	-	_
	62,557	20,600	62,557	33,250

Not	e 7 Earnings per Share	
		Consolidated Group 2017 \$
(a)	Reconciliation of earnings to profit or loss	
( )	Profit	(6,444,275)
	Profit attributable to non-controlling equity interest	
	Redeemable and convertible preference share dividends	- /
	Earnings used to calculate basic EPS	(6,444,275)
	Dividends on convertible preference shares	
	Earnings used in the calculation of dilutive EPS	(6,444,275)
		No.
(b)		
	Total number of ordinary shares outstanding 30/6/17	346,825,684
	Total number of dilutive options outstanding	90,350,000
	Total number of dilutive performance rights outstanding	15,000,000
	Total number of dilutive deferred consideration shares on issue	26,428,571
	Total number of securities outstanding during the year used in calculating	
	dilutive EPS	478,604,255

Departure from AASB 3 (paragraph B25 - B27) The transactions to acquire the aquaculture businesses on 16th January 2017 involved three separate acquisitions. Two of these acquisitions (Riverina Acquaculture and Silverwater Native Fish) were by way of acquisition of assets and the third involved the takeover of Bidgee Fresh Pty Ltd (deemed to be the acquiror in accordance with AASB 3). The Directors believe that adherence to the EPS method of calculation in accordance with AASB 3 has the potential to be misleading to existing shareholders as the issue of shares to Riverina and Silverwater would be excluded in calculating the weighted average number of shares. Accordingly the company has calculated Earnings Per Share of the consolidated entity by dividing the net earnings of the group by the total shares on issue as at 30th June 2017.

Cash and Cash Equivalents

Note 8 Cash and Cash Equivalents					
	Note	Consolidated	d Group	Parent B	Entity
		2017	2016	2017	2016
		\$	\$	\$	\$
Cash at bank and on hand		3,132,325	47,731	3,118,790	594,256
Short-term bank deposits		-	-	-	-
		3,132,325	47,731	3,118,790	594,256
The effective interest rate on short-term bank deposits was 2% (2017) & 2% (2016).					
Reconciliation of cash					
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:					
Cash and cash equivalents		3,132,325	47,731	3,118,790	594,256
Credit Cards	16	(6,904)	-	(6,904)	-
		3,125,421	47,731	3,111,886	594,256

	Note	Consolidated	d Group	Parent l	Entity
		2017	2016	2017	2016
		\$	\$	\$	\$
CURRENT					
Trade receivables		140,252	16,947	137,088	5,768
Other receivables		3,383	-(	3,383	509
Business Activity Statement Refunds Receivable		207,345	68,425	256,620	6,460
Amounts receivable from related parties					
<ul> <li>wholly-owned subsidiaries</li> </ul>		-	-	428,019	-
Total current trade and other receivables		350,980	85,372	825,110	12,737

#### Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 9. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

#### (a) Collateral Held as Security

There is no collateral held as security over any Trade Receivables or Loans to Subsidiaries.

		Consolidated	d Group	Parent	=ntity
		2017	2016	2017	2016
(b) Financial Assets Classified as Loans and Receivables	Note	\$	\$	\$	\$
Trade and other Receivables					
<ul> <li>Total current</li> </ul>		350,980	85,372	825,110	12,737
<ul> <li>Total non-current</li> </ul>		V Z	-	-	-
Total financial assets classified as loans and receivables	26	350,980	85,372	825,110	12,737

#### (c) Collateral Pledged

No floating charges over any trade receivables has been provided for any debts.

Note 10 Inventories					
	Note	Consolidated	d Group	Parent	Entity
		2017	2016	2017	2016
		\$	\$	\$	\$
CURRENT					
At cost:					
Fish Feed and Chemical Inventory		29,861	-(	29,861	-
Livestock - Cattle		15,763	-\	15,763	_
Cage Building Stock and Parts		141,452	-	141,452	-
		187,076	-	187,076	-
At net realisable value:					
Biological Assets	10a	1,874,720	277,863	1,874,720	-
Total Inventory		2,061,796	277,863	2,061,796	-
(a) Biological Assets					
		Consolidated	d Group	Parent	Entity
		2017	2016	2017	2016
		\$	\$	\$	\$
Biological Assets					
Murray Cod Broodstock		87,615	1/1// 11 -	87,615	-
Murray Cod Fingerlings		823,087	277,863	823,087	-
Murray Cod Pond Fish		873,848	- 1	873,848	-
Silver Perch		90,170	- 11	90,170	
		1,874,720	277,863	1,874,720	-
		Consolidated	d Group	Parent	Entity
		2017	2016	2017	2016
		\$	\$	\$	\$
Carrying amount at the beginning of the period		277,863	-	-	-
Purchases		759,264	215,200	954,874	-
Growing Costs		358,049	30,904	490,883	-
Decreases due to harvest for sale		(498,040)	-	(423,085)	-
Gain from physical changes at fair value		977,584	31,759	852,048	-
Carrying amount at the end of the period		1,874,720	277,863	1,874,720	-

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

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### Note 11 Interests in Subsidiaries

#### (a) Information about Principal Subsidiaries

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

		Ownership interest held by the Group		Proportion of non-controlling interests	
		2017	2016	2017	2016
Name of subsidiary	Principal place of business	(%)	(%)	(%)	(%)
Bidgee Fresh Pty Ltd ABN: 13 605 520 125	Farm 1444D Bilbul Road	100%	0%	0%	100%
	BILBUL NSW 2680				

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. By holding 100% of the outstanding voting shares in Bidgee Fresh Pty Ltd, the Group holds all of the seats on the Board of Bidgee Fresh Pty Ltd, thereby giving the Group the current ability to direct the relevant activities of the entity. The acquisition was a result of Murray Cod Australia Limited purchasing three aquaculture businesses, being Bidgee Fresh Pty Ltd, Riverina Aquaculture and Silverwater Native Fish, for the breeding, growing and supply of Murray Cod. The acquisition is intended to consolidate existing operations to create a vertically integrated producer across the entire Murray Cod lifecycle.

	Quantity	Price \$/Unit	Market Value
- Purchase consideration:			
- Fully paid Ordinary Shares	40,714,286	0.05	2,035,714
- Deferred Fully paid Ordinary Shares	13,571,428	0.025	339,286
- Vendor Options	40,000,000	0.01735	694,000
- Performance Rights	15,000,000	0.025	375,000
	109,285,714		3,444,000
		-	

At the time Murray Cod Australia Limited purchased Bidgee Fresh Pty Ltd, Bidgee Fresh Pty Ltd Assets exceeded its liabilities. This means that the purchase consideration is all allocated to Goodwill on purchase

Goodwill (iv) \$ 3,444,000

- (i) Deferred fully paid ordinary shares are not converted to Ordinary Shares until the milestone is achieved and approved as achieved by the Board of Directors. Milestone being the production and sale of 100 tonnes of Murray Cod within 4 years from the Quotation Date.
- (ii) The Options are exercisable on or prior to the Expiry Date, if within 4 years from the Quotation Date, 100 tonnes of Murray Cod are produced and sold by the company.
- (iii) The vesting of a Performance Right is conditional on the satisfaction of vesting conditions attaching to the Performance Rights on or before the milestone date as set out below:

Class	Number of Performance Rights	Vesting Conditions	Milestone Date
Α	5,000,000	Production and sale by the company of 50 tonnes of Murray  Cod	3 years from date of issue
В	5,000,000	Production and sale by the company of 100 tonnes of Murray cod (tonnage aggregated with that from Class A)	4 years from date of issue
С	5,000,000	Production and sale by the company of 150 tonnes of Murray cod (tonnage aggregated with that from Classes A and B)	5 years from date of issue

(iv) The goodwill is attributable to the high growth potential of the acquired business, acquired intellectual property, and the significant synergies expected to arise after the Group's acquisition of Bidgee Fresh Pty Ltd combined with that of Riverina Aquaculture and Silverwater Native Fish to create a vertically integrated producer of Murray Cod.

No amount of the goodwill is deductible for tax purposes.

(d) In accounting for the acquisition, the Consolidated Entity has taken guidance from the principles of AASB 3 Business Combinations (AASB3) and determined that Bidgee Fresh Pty Ltd would be deemed to be the acquiror for accounting purposes. Accordingly the transaction is accounted for as a reverse asset acquisition. As a result the consolidated statement of Financial Position as at 30 June 2017 has been prepared as a continuation of the Bidgee Fresh Pty Ltd Financial Statements with Bidgee Fresh Pty Ltd (as the accounting acquiror) accounting for the acquisition as at 17th January 2017. As the activities of the legal acquiror (Murray Cod Australia Limited) would not constitute a business based on the requirements of AASB 3, any excess of the deemed consideration over the fair value of the acquisitions, as calculated in accordance with the reverse acquisition accounting principles, cannot be taken to be a goodwill asset and has been

Note 12	Property, Plant and Equipment

	Consolidated	Group	Parent E	Entity
	2017	2016	2017	2016
	\$	\$	\$	\$
LAND AND BUILDINGS				
Farming land (Freehold) at:				
— at cost	1,654,332	1/1 -	1,654,332	-
Water Rights and Licences at Market Value	686,450		686,450	
Total land	2,340,782	-	2,340,782	-
PLANT AND EQUIPMENT				
Plant and equipment:				
At cost	2,406,037	836,072	1,509,964	-
Accumulated depreciation	(126,450)	(16,821)	(57,108)	-
	2,279,587	819,251	1,452,856	-
Total property, plant and equipment	4,620,369	819,251	3,793,638	_
		,		

The Group's Water Rights and Licences were revalued at 30 June 2017 by Directors based on Market Values at 30/6/17. Refer to Note 27 for detailed disclosures regarding the fair value measurement of the Group's freehold land and buildings and water rights and licences.

#### (a) Movements in Carrying Amounts

(b)

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

year.						
	Freehold	Water Rights	Plant and			
	Land	and Licences	Equipment	Total		
	\$	\$	\$	\$		
Consolidated Group:						
Balance at 1 July 2015	-	-		-(		
Additions	-	1-	834,090	834,090		
Disposals	-	-		-		
Acquisitions through business combinations	-			-		
Revaluation increments / (decrements)	-	-		-		
Depreciation expense	-	- C C	(16,821)	(16,821)		
Capitalised borrowing cost and depreciation	<u>-</u>	-/	1,982	1,982		
Balance at 30 June 2016	-	_	819,251	819,251		
Additions	1,654,332	686,450	1,576,142	3,916,924		
Disposals	A /-		13/			
Acquisitions through business combinations			///			
Revaluation increments / (decrements)	-					
Depreciation expense			(109,629)	(109,629)		
Capitalised borrowing costs expensed and						
Capital Costs write off	-	_	(7,511)	(7,511)		
Capitalised borrowing costs and depreciation	-	-	1,334	1,334		
Balance at 30 June 2017	1,654,332	686,450	2,279,587	4,620,369		
			/ 11111	1117		
Parent Entity:						
Balance at 1 July 2015						
Additions				-		
Disposals				-		
Additions through acquisition of entity				-		
Revaluation increments / (decrements)				-		
Depreciation expense				_		
Capitalised borrowing costs and depreciation				_		
Balance at 30 June 2016	-	_	-	_		
Additions	1,654,332	686,450	1,508,629	3,849,411		
Disposals	, - ,	,	,,-	-		
Revaluation increments/(decrements)				_		
Depreciation expense			(57,108)	(57,108)		
Capitalised borrowing costs and depreciation			1,335	1,335		
Balance at 30 June 2017	1,654,332	686,450	1,452,856	3,793,638		
	.,001,002	230, 100	., . 32,000	2,. 00,000		
			0 "11	d Group	Parent I	=ntity
			(Consolidate			
			Consolidated	2016	2017	•
				•		20
Capitalised Finance Costs			2017	2016	2017	20
Capitalised Finance Costs Borrowing costs incurred			2017	2016	2017	20
			2017 \$	2016 \$	2017 \$	20

oup	Parent Enti	,
	2017 \$	2016
\$	Ф	Ф
- 6	5,229,119	
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29,119	-	-
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29,119)	-	_
	_	
	- assets are	

Note 14 Other Assets				
	Consolidat	ed Group	Parent l	Entity
	2017	2016	2017	2016
	\$	\$	\$	\$
CURRENT				
Prepayments	15,816	-	15,816	17,157
	15,816	-	15,816	17,157

Note   Consolidated Group   Parent E   2017   2016   201	
CURRENT Unsecured liabilities Trade payables Trade payables and accrued expenses Amounts payables and accrued expenses Amounts payable to related parties  - wholly-owned subsidiaries - other related parties  - key management personnel related entities  Note  Note  Consolidated Group 2017 2016 2	
CURRENT	2016
Unsecured liabilities           Trade payables         99,432         338,142         99,431           Sundry payables and accrued expenses         96,328         22,660         96,328           Amounts payable to related parties         — wholly-owned subsidiaries	\$
Trade payables         99,432         338,142         99,431           Sundry payables and accrued expenses         96,328         22,660         96,328           Amounts payable to related parties	
Sundry payables and accrued expenses   96,328   22,660   96,328   22,660   96,328   22,660   36,228   22,660   36,288   22,660   36,288   22,660   36,288   22,660   36,288   22,660   36,288   22,660   36,288   22,660   36,288   22,660   36,288   22,660   26,288	
Amounts payable to related parties  - wholly-owned subsidiaries - other related parties - key management personnel related entities  25(d)  Note    Consolidated Group   Parent Equity   Paren	53,050
- wholly-owned subsidiaries	8,240
- other related parties - key management personnel related entities 25(d)    Note   S19,092   690,020   -	
Note   Consolidated Group   Parent E   2017   2016   201	-
Note   Consolidated Group   Parent E   2017   2016   2017   \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	
Note Consolidated Group Parent E 2017 2016 2017 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	
(a) Financial liabilities at amortised cost classified as trade and other payables	61,290
(a) Financial liabilities at amortised cost classified as trade and other payables	
\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	ntity 2016
(a) Financial liabilities at amortised cost classified as trade and other payables Trade and other payables  - Total current - Total non-current -	\$
— Total current       714,852       1,050,822       195,759         — Total non-current       714,852       1,050,822       195,759         Less: construction contract advances and payables Less: other payables (net amount of GST payable)       714,852       1,050,822       195,759         Note 16 Borrowings         Note 2017       2016       2017         2017       2016       2017         \$       \$         CURRENT       Unsecured liabilities         Bank overdrafts       -	Ψ
— Total non-current	61,290
Less: construction contract advances and payables Less: other payables (net amount of GST payable) Financial liabilities as trade and other payables  Note 16 Borrowings  Note Consolidated Group Parent E 2017 2016 2017 \$ \$ \$  CURRENT Unsecured liabilities  Bank overdrafts  Parent E 2017 2016 2017 \$ \$ \$	
Less: other payables (net amount of GST payable) Financial liabilities as trade and other payables  26 714,852 1,050,822 195,759   Note 16 Borrowings  Note Consolidated Group Parent E 2017 2016 2017 \$ \$ \$  CURRENT Unsecured liabilities  Bank overdrafts	61,290
Note 16   Borrowings   26   714,852   1,050,822   195,759	
Note	61,290
Note	
2017   2016   2017     2018     2017     2018     2017     3	
CURRENT Unsecured liabilities Bank overdrafts  \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	ntity 2016
CURRENT Unsecured liabilities Bank overdrafts	\$
Unsecured liabilities Bank overdrafts	Ψ
Bank overdrafts	
LUUIDIII LUUI 20 38.070 30.347 38.070	-
CBA Credit Card 6.904 - 6.904	-
Total current borrowings 45,980 58,547 45,980	
NON-CURRENT	
Unsecured liabilities	
Equipment Loan 20 170,374 232,923 170,374	
Total non-current borrowings	
Total borrowings 26 216,354 291,470 216,354	-

Note 17 Tax

			Consolidat 2017 \$	ed Group 2016 \$	Parent 2017 \$	t Entity 2016 \$
CURRENT			φ	Φ	φ	φ
Income tax payable				-	/ // -	- /// -
		- Table 1	-	-		-
NON-CURRENT	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
Consolidated Group	\$	\$	\$	\$	\$	\$
Deferred tax liabilities Property, plant and equipment						
- tax allowance		-	-	1/-	-	-
Tangible assets revaluation	- al /-	-	A / -	//A -	-	-
Fair value gain Future income tax benefits attributable to tax losses	(		// , [		-	-
Other	-	/	IAI	- III	-	-
Balance at 30 June 2016		_	////		<u>-</u>	
Balance at 30 June 2010			/ 1111			
Property, Plant and Equipment						
- tax allowance	-	173,320	/ 1111	- 117	-	173,320
Tangible assets revaluation	-	-	/ VIII	47 -	-	-
Fair value gain Future income tax benefits attributable to tax losses	-			<i>V</i>	-	-
Other	_	-	- 1//-	-	-	-
Balance at 30 June 2017		173,320	V -	-	-	173,320
Deferred tax assets						
Provisions Transaction costs on equity issue	-	-	-	-	-	-
Transaction costs on equity issue Fair value gain adjustments Property, plant and equipment	-	-	-	-	-	-
- impairment	-	_	-	-	-	_
Other	-	-	-	-	-	-
Balance at 30 June 2016	_	-	-	-	-	-
Provisions	-	-	-	-	-	-
Transaction costs on equity issue	-	-	-	-	-	-
Fair value gain adjustments Property, plant and equipment	-	-	-	-	-	-
- impairment	-	-	-	-	-	-
Other		164,030	-	-	-	164,030
Balance at 30 June 2017	-	164,030	-	-	-	164,030

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.

Parent Entity Deferred tax liabilities Property, plant and equipment - tax allowance Tangible assets revaluation Fair value gain	Opening Balance \$	Charged to Income \$	Charged directly to Equity \$	Changes in Tax Rates \$	Exchange Differences \$	Closing Balance \$
Future income tax benefits attributable to tax losses		1				
Other  Balance as at 30 June 2016	-		-			-
Property, plant and equipment - tax allowance	10,	17,132				17,132
Tangible assets revaluation Fair value gain Future income tax benefits attributable to tax losses			<i>)</i> [ ]		-	-
Other Balance as at 30 June 2017		17,132	$M_{\perp}$	<u> </u>	<u>-</u>	<u>-</u> 17,132
Deferred tax assets Provisions	0 y - 1			W	-	-
Transaction costs on equity issue Fair value gain adjustments Property, plant and equipment	-	-	/ VI	Ψ:	-	-
- impairment Other Balance as at 30 June 2016			J.	-	-	<u>-</u>
		-				
Provisions Transaction costs on equity issue Fair value gain adjustments Property, plant and equipment	-	- - -	- - -	- - -	-	- - -
- impairment Other	-	132,828	-	-	-	132,828
Balance as at 30 June 2017		132,828	-	-	-	132,828

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

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note	10	Provisions
Note	18	Provisions

	Consolidated	d Group	Parent Entity	
CURRENT	2017 \$	2016 \$	2017 \$	2016 \$
Employee Benefits				
Opening balance at 1 July 2016		-/	// -	-
Additional provisions	6,717	-	6,717	-
Amounts used Unused amounts reversed		-		-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate			-//	-
Balance at 30 June 2017	6,717	-	6,717	-
Total	6,717		6,717	
	// /			
Analysis of Total Provisions	Consolidated	•	Parent	
	2017 \$	2016 \$	2017 \$	2016 \$
Current	6,717	Ψ _	φ 6,717	Ψ -
Non-current			-	_
	6,717	<b>Y</b>	6,717	

#### **Provision for Employee Benefits**

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

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

#### Note 19 Issued Capital

	Consolidated Group		Parent Entity	
	2017 2016		2016 2017	
	\$	\$	\$	\$
346,825,684 (2016: 63,939,969) fully paid ordinary shares in the parent entity	12,835,830	100	14,165,838	1,330,108
26,428,571 Deferred Ordinary Shares	660,714	-	660,714	-
	13,496,544	100	14,826,552	1,330,108

	Consolidated	Parent Entity		
(a) Ordinary Shares	2017	2016	2017	2016
	No.	No.	No.	No.
At the beginning of the reporting period	63,939,969	100	63,939,969	62,839,969
Shares issued during the year	282,885,715		282,885,715	1,100,000
At the end of the reporting period	346,825,684	100	346,825,684	63,939,969

On the 16th January 2017 Murray Cod Australia Limited issued 200,000,000 Ordinary Shares at \$0.05, this capital raised under the prospectus issued in November 2016. On the 16th January 2017 Murray Cod Australia Limited also issued 82,885,715 Ordinary Shares for consideration. Details in regards this transaction is detailed in the November 2016 prospectus issued.

Ordinary shareholders participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

#### (b) Options

- (i) For information relating to the Murray Cod Australia Limited employee option plan, and of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 23: Share-based Payments.
- (ii) For information relating to share options issued to key management personnel during the financial year, refer to Note 23: Share-based Payments.

#### (c) Capital Management

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

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

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

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

There have been 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 2017 and 30 June 2016 are as follows:

		Consolidated Group		Parent Entity	
		2017	2016	2017	2016
	Note	\$	\$	\$	\$
Total borrowings	15, 16	931,206	1,342,292	412,113	61,290
Less cash and cash equivalents	8	(3,132,325)	(47,731)	(3,118,790)	(594,256)
Net debt		(2,201,119)	1,294,561	(2,706,677)	(532,966)
Total equity		9,234,073	(112,075)	9,512,016	562,860
Total capital		7,032,954	1,182,486	6,805,339	29,894
Gearing ratio			109%	-	-
lote 20 Capital and Leasing Commitments					
		Consolidate	d Group	Parent I	Entity
		2017	2016	2017	2016
	Note	\$	\$	\$	\$
a) Equipment Finance Commitments					
Payable — minimum payments					
<ul> <li>not later than 12 months</li> </ul>		49,216	66,506	49,216	-
<ul> <li>between 12 months and five years</li> </ul>		186,748	266,025	186,748	-
<ul> <li>later than five years</li> </ul>		-		-	_
Minimum lease payments	_	235,964	332,531	235,964	_
Less future finance charges		(26,514)	(41,061)	(26,514)	
Present value of minimum lease payments	16	209,450	291,470	209,450	_

#### Note 21 Contingent Liabilities and Contingent Assets

There were no contingent assets and liabilities outstanding at 30 June 2017 (30/6/2016: nil).

Note 22	Cash Flow	Information

			Consolidated Group		Entity
		2017 \$	2016 \$	2017	2016 \$
(a)	Reconciliation of Cash Flows from	\$	Φ	Φ	Φ
(~)	Operating Activities with Profit after Income				
	Profit after income tax	(6,444,275)	(112,175)	(6,451,408)	(402,114)
	Non-cash flows in profit				
	Depreciation and Amortisation	117,141	22,350	57,108	
	Capitalised Borrowing Costs	- 1	(1,982)		
	Unrealised gain on Kalnorth Shares		-		(14,761)
	Realised loss on Kalnorth Shares		_		32,852
	Goodwill Written Off	6,229,119		6,229,119	
	Net Gain on Debt Forgiveness	(260,323)			
	Subsidiary Inter-entity non cash transactions			923,587	
	Expenses incurred by Share Issue	480,000		480,000	1,100
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
	(Increase)/decrease in trade and term				
	receivables	(123,304)	(85,372)	(139,961)	3,221
	(Increase)/decrease in other assets	(83,957)		(244,388)	
	(Increase)/decrease in inventories	(1,783,933)	(277,863)	(2,061,796)	
	Increase/(decrease) in trade payables and				
	accruals	(528,413)	367,272	141,186	46,161
	Increase/(decrease) in income taxes payable				(967,589)
	Increase/(decrease) in deferred taxes payable	173,320		17,132	
	(Increase)/decrease in deferred taxes receivable	(164,030)		(132,828)	
	Increase/(decrease) in provisions	,		,	
	Cash flows from operating activities	(2,388,655)	(87,770)	(1,182,249)	(1,301,130)

#### (b) Non-cash Financing and Investing Activities

Non-cash financing of Asset purchases is detailed in Note 11 and Note 23.

#### Note 23 Share-based Payments

- (i) A prospectus was issued in November 2016 to raise capital to assist Murray Cod Australia Limited with its acquisition of:
  - \* 100% of the issued capital of Bidgee Fresh Pty Ltd;
- \* the business and assets of Silverwater Native Fish;
- \* the land and farm assets owned by Ian Charles (together with Silverwater)
- \* the Land and farm assets owned by Mathew Ryan (together with Riverina Aquaculture)
- \* the business and assets of Riverina Aquaculture
- \* custom designed cage and fish grading assets owned by Roger Commins

As was proposed in the prospectus issued November 2016, the Equity Settled Share Based Payment Transactions that occurred during the year were as follows:

Riverina Aquaculture (M & B Ryan Pty Ltd)			
	Quantity	Price \$/Unit	Market Value
			\$
Fully paid ordinary shares	38,571,429	0.05	1,928,571
Deferred fully paid ordinary shares*	12,857,143	0.025	321,429
Unlisted options	20,000,000	0.01735	347,000
TOTAL CONSIDERATION PAID			2,597,000
ASSETS ACQUIRED			
Murray Cod Stock			300,000
Goodwill			2,297,000
TOTAL ASSETS ACQUIRED			2,597,000

\*Deferred fully paid ordinary shares are not converted to Ordinary Shares until the milestone is achieved and approved as achieved by the Board of Directors. Milestone being the production and sale of 100 tonnes of Murray Cod within 4 years from the Quotation Date.

Silverwater	Native	Fish	(lan	and	Michele	Charles)

	Quantity	Price \$/Unit	Market Value \$
Fully paid ordinary shares	2,000,000	0.05	100,000
Unlisted options	4,000,000	0.01735	69,400
TOTAL CONSIDERATION PAID			169,400
ASSETS ACQUIRED			
Murray Cod Stock			100,000
Goodwill			69,400
TOTAL ASSETS ACQUIRED			169,400
Zebina Minerals Pty Ltd			
	Quantity	Price \$/Unit	Market Value
			\$
Fully paid ordinary shares	600,000	0.05	30,000
TOTAL CONSIDERATION PAID			30,000
ASSETS ACQUIRED			
Payment of liability arising under term sheet			30,000
TOTAL ASSETS ACQUIRED			30.000

\*Shares were issued to Zebina as consideration for a liability arising under the term sheet dated 8 September 2015 between Zebina and the company in relation to an earn in interest in tenements owned by Zebina located in the Murchison province of Western Australia.

#### Alto Capital

	Quantity	Price \$/Unit	Market Value \$
Fully paid ordinary shares TOTAL CONSIDERATION PAID	1,000,000	0.05	50,000
ASSETS ACQUIRED Payment of liability arising under Lead Manager			
agreement TOTAL ASSETS ACQUIRED			50,000 50,000

<sup>\*</sup>Alto Capital received 1,000,000 Ordinary Shares and 350,000 Options under their Lead Manager Agreement.

(ii) Options issued by Murray Cod Australia Limited:

Quantity issued to:	Options Issued	Exercise Price	Expiry Date	Fair Value/Optic Fa	ir Value 30/6/17
Alto Capital (Lead Manager) issued 16/1/17	350,000	0.075	16/01/2021	0.03143	11,000
Panaquatic (Corporate Advisor) issued 16/1/17*	5,000,000	0.075	16/01/2022	0.00868	43,375
Ross Anderson (Director) issued 16/1/17	15,000,000	0.075	16/01/2022	0.01735	260,245
Martin Priestley (Director) issued 16/1/17	2,000,000	0.075	16/01/2022	0.01735	34,700
Morgan Barron (Director) issued 16/1/17	2,000,000	0.075	16/01/2022	0.01735	34,700
Douglas O'Neill (Director) issued 16/1/17	2,000,000	0.075	16/01/2022	0.01735	34,700
Riverina Aquaculture and Silverwater on Asset					
acquisition issued 16/1/17	24,000,000	0.075	16/01/2022	0.01735	416,400
Brigalow Enterprises Pty Ltd and M & B Ryan Pty Ltd on					
acquisition of Bidgee Fresh Pty Ltd issued 16/1/17	40,000,000	0.075	16/01/2022	0.01735	694,000
	90,350,000			_	1,529,120

The Options, excluding the Options issued pursuant to the Panaquatic Offer and the Options issued pursuant to the Lead Manager Offer, are excercisable on or prior to the Expiry Date, if within 4 years from the Quotation Date, 100 tonnes of Murray Cod are produced and sold by the company.

The Options issued pursuant to the Panaquatic Offer are excercisable as follows:

- (i) 2,500,000 of the Options exercisable on or prior to the Expiry Date, if within 4 years from Quotation Date, 150 tonnes of Murray Cod are produced and sold by the Company; and
- (ii) 2,500,000 of the Options exercisable on or prior to the Expiry Date, if within 4 years from the Quotation Date, 250 tonnes of Murray Cod are produced and sold by the Company.
- (iii) The company 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 of 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.

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).

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

	Consolid	ated Group	Parent	•
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding as at 1 July				
2015 Granted				
Forfeited				
Exercised	-		-	
Expired	-		-	
Options outstanding as at 30 June				
2016	-		-	
Granted	90,350,000	\$ 0.075	90,350,000	\$ 0.075
Forfeited			-	
Exercised	- a : /-		\ / -	
Expired			/ / -	
Options outstanding as at 30 June				
2017	90,350,000		90,350,000	
Options exercisable as at 30 June 2017: Options exercisable as at 30 June 2016:	90,350,000	\$ 0.075	90,350,000	\$ 0.075

The weighted average remaining contractual life of options outstanding at year end was 4.55 years.

The weighted average fair value of options granted during the year was \$1,529,120 (2016: \$0). These values were calculated using the Binomial option pricing model applying the following inputs:

Weighted average exercise price: \$ 0.075
Weighted average life of the option: 5 years
Expected share price volatility: 100%
Risk-free interest rate: 1.92%

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

#### Note 24 Events After the Reporting Period

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

The company is expanding rapidly and now has productive capacity at its Bilbul site of 300 tonnes per annum. In addition to this the company has contract growers with productive capacity of 150 tonnes per annum. The company has entered into negotiations with a local farmer who would construct ponds and lease them to the company on a basis similar to what has occurred on the property adjoining the Company's Bilbul site. To this end the farmer has already submitted a Development Application and is anticipating commencement of construction in late September 2017. If the company is successful in executing the lease then the produtive capacity of the company's grow out ponds would be approximately 600 tonnes per annum (750 tonnes when including contract growers).

#### Note 25 Related Party Transactions

#### **Related Parties**

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

#### 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 details of disclosures relating to key management personnel, refer to Note 5.

#### 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:

	The following transactions occurred with related parties.				
		Consolidated Group		Parent Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
i.	Associates				
	Sales of goods and services	0	0	0	0
	Dividend revenue	0	0	0	0
	Interest revenue	0	0	0	0
ii.	Joint Ventures				
				•	
	Dividend revenue	0	0	0	0
iii.	Other Related Parties				
	Purchase of goods and services				
	Ventnor Capital a company related to Director Morgan Barron has provided Joint Company Secretarial Services of Brett Tucker and Corporate Advisory Services to Murray Cod				
	Australia Limited (Total GST Inclusive)	20,708	/ -	106,733	45,361
	Anderson's Investment Services Pty Ltd a company related to				
	Director Ross Anderson has provided a Brokerage service to	505.440		505 440	
	Murray Cod Australia Limited (Total GST Inclusive)	535,112	-	535,112	-
	Anderson's Tax and Investment Services Pty Ltd a company related to Ross Anderson has provided Joint Company Secretarial services of Wendy Dillon, monthly administration and general bookkeeping, Accounting, corporate consulting, taxation and advice and preparation of financial report				
	services	69,729	-	187,927	22,944
	Anderson's Tax and Investment Services Pty Ltd a company related to Ross Anderson has paid expenses on behalf of the company and been reimbursed these costs. (Total GST Inclusive)	6,332	-	15,676	1,204
	Commins Enterprises Pty Ltd a company related to Director	-7		-,-	, -
	George Roger Commins has provided manufacturing services to the company (Total GST Inclusive)	230,804	-	172,545	-
	Aquacomm Pty Ltd a company related to Director George Roger Commins is contract Murray Cod grower to Murray Cod Australia Limited. Purchase of Contract grown murray cod less costs (GST Inclusive)	55,982	-	48,693	-
	lan and Michelle Charles a Partnership related to Ian Charles has provided contract labour and has been reimbursed for out off pocket expenses in running the Hatchery (Total GST				
	Inclusive) Bamford Partners a company related to Director Martin Priestley was paid brokerage on Share capital raising (Total	88,324	-	88,324	-
	GST Inclusive)	7,590	-	7,590	-
	Murray Cod Australia Limited purchases from Bidgee Fresh Pty Ltd (Wholly owned subsidiary from 17/1/17) Dam Cage build purchases (GST Inclusive)	_	-	103,452	-
	Murray Cod Australia Limited purchases from Bidgee Fresh Pty Ltd (Wholly owned subsidiary from 17/1/17) part of Dam Cages Ponds 4,5,6 (GST Inclusive)		-	223,308	-
	Murray Cod Australia Limited purchases from Bidgee Fresh Pty Ltd (Wholly owned subsidiary from 17/1/17) Biological Assets and Fish related purchases (GST Inclusive0	_	-	839,730	-
	Ag Finance Specialists Pty Ltd a company related to Director Ross Anderson was paid Interest as per the Loan Agreement at 6%	19,092	_	_	_
		,			

Sales of goods and services				
Aquacomm Pty Ltd a company related to Director George				
Roger Commins has been sold Dam Cage Equipment from				
Murray Cod Australia Limited (GST Inclusive)	30,712	-	30,712	
Aquacomm Pty Ltd a company related to Director George				
Roger Commins has been sold Advanced Fingerlings from				
Murray Cod Australia Limited (GST Inclusive)	27,518	-/	//-	-
lan and Michelle Charles a partnership related to Ian Charles				
has been sold Fingerlings from Murray Cod Australia Limited				
(GST Inclusive)	57,354	-	-	-
Murray Cod Australia Limited sales to Bidgee Fresh Pty Ltd				
(Wholly owned subsidiary from 17/1/17) Fingerlings and				
Murray Cod Fish (GST Inclusive)	-	-	242,905	-
Dividend revenue		-	-	-
Interest revenue	J		-	-

### (c) Amounts outstanding from related parties

**Trade and Other Receivables** 

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

		Consolidat	Consolidated Group		Entity	
		2017	2016	2017	2016	
		\$	\$	\$	\$	
i.	Loans to Other Related Parties					
	Beginning of the year	/ / //	U7 -	-	-	
	Loans advanced	/ 11-	7/ -	428,020	-	
	Loan repayment received	W III	-	-	-	
	Interest charged	111	-	-	-	
	Interest received		-	-		
	End of the year	7 -	-	428,020	-	

#### (d) Amounts payable to related parties

#### **Trade and Other Payables**

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

		Consolidated	Consolidated Group		Entity
		2017	2016	2017	2016
		\$	\$	\$	\$
	Loans from Other Key Management Personnel Related				
iv.	Entities				
	Beginning of the year	690,020	-	-	-
	Loans advanced	1,170,303	690,020	-	-
	Loan repayment received	(1,100,000)	-	-	-
	Debt Forgiven	(260,323)	-	-	-
	Interest charged	19,092	-	-	-
	Interest received		-	-	
	End of the year	519,092	690,020	-	
٧.	Loans from Other Related Parties				
	Beginning of the year				
	Loans advanced				
	Loan repayment received				
	Interest charged				
	Interest received				
	End of the year		-	-	

#### Note 26 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, loans to and from subsidiaries.

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		Parent Entity	
		2017	2016	2017	2016
	Note	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	8	3,132,325	47,731	3,118,790	594,256
Loans and receivables	9(b)	350,980	85,372	825,110	12,737
Total Financial Assets		3,483,305	133,103	3,943,900	606,993
Financial Liabilities					
Financial liabilities at amortised cost					
<ul> <li>Trade and other payables</li> </ul>	15	714,852	1,050,822	195,759	61,290
<ul><li>Borrowings</li></ul>	16	216,354	291,470	216,354	-
Total Financial Liabilities		931,206	1,342,292	412,113	61,290

The board of directors monitors the Group's financial risk management policies and exposures and approves financial transactions. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, foreign currency risk, liquidity risk and interest rate risk. The board of directors meet monthly at least bi-monthly.

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

Financial Risk Management Policies

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

#### a. Credit risk

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

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 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.

#### 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 and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

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 only operations in this region. Details with respect to credit risk of Trade and Other Receivables is provided in Note 9.

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 9.

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.

#### b. Liquidity risk

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

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

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

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. 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.

	Within '		1 to 5 y			years	Tot	
	2017	2016	2017	2016	2017	2016	2017	2016
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due	for payment							
Bank overdrafts and loans		-			-	-		
Bills of exchange and promissory notes	-/		UP N	-4		_		
Debentures	-	/-	-	-	-	-		
Redeemable preference shares				1		_	_//	
Convertible preference shares				_\	_			
Trade and other								
payables	195,760	360,802	10 -		-	-	195,760	360,802
Amounts payable to related parties	519,092	690,020					519,092	690,020
Finance lease liabilities	39,076	58,547	170,374	232,923		-	209,450	291,470
Financial guarantees	-	-	-		/ / -	- 11111	-	
Total contractual outflows	753,928	1,109,369	170,374	232,923		_	924,302	1,342,292
Less bank overdrafts _					/ 11111		-	
Total expected outflows	753,928	1,109,369	170,374	232,923	<u> </u>	Ш///	924,302	1,342,292
	Within '	1 Voor	1 to 5 y	oare	Over 5	years	Tot	al
	2017	2016	2017	2016	2017	2016	2017	2016
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets - cash					111	,	*	*
Cash and cash equivalents	3,132,325	47,731			V.	-	3,132,325	47,731
Trade, term and loans receivables	350,980	85,372		_	_	_	350,980	85,372
Held-for-trading investments	_			_		_	_	
Held-to-maturity investments								
	1	1 /// II	-	-	-	-	-	
Other investments	1	IMIII -	-	-	-	-	-	•
Interest rate swaps	- 1		-	-	-	-	-	
Foreign exchange forward contracts: - gross settled		(7)	_	_		_	_	
- gross settled - contractual inflows		IV.	-	-	-	-	-	
- contractual inflows							-	
Total anticipated	- 11	•						

3,483,305

2,559,003

133,103

(1,209,189)

3,483,305

2,729,377

inflows

instruments

Net (outflow) / inflow on financial

133,103

(976, 266)

(170,374)

(232,923)

Financial liability matur	ity analysis							
	Within 1		1 to 5 y		Over 5		Total contracti	
	2017	2016	2017	2016	2017	2016	2017	2016
Parent Entity	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due	for payment							
Bank overdrafts and loans								
	-							-
Bills of exchange and								
promissory notes Debentures		_			· -			-
Redeemable	7 /11/							-
preference shares		/						
Convertible preference								
shares		4_		_ \				_
Trade and other								
payables (excl. est.								
annual leave)	195,759	61,290		_	-		- 195,759	61,290
Amounts payable to								
related parties	-	- 6		-	// -			-
Financial Lease								
Liabilities'	39,076	-	170,374		11 11 -		- 209,450	-
Total contractual								
outflows	234,835	61,290	170,374	-			- 405,209	61,290
Less bank overdrafts					/		-	
Total expected	004.005	04.000	470.074				405.000	04.000
outflows	234,835	61,290	170,374		/ 111:		- 405,209	61,290
	Within 1	Year	1 to 5 y		Over 5		Total contractu	
	2017	2016	2017	2016	2017	2016	2017	2016
Parent Entity	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets - cash	flows realisab	le						
Cash and cash								
equivalents	3,118,790	594,256		-	<i>V</i> -		- 3,118,790	594,256
Trade, term and loans	005.440	40.707					005.440	40.707
receivables	825,110	12,737	-	-	-		- 825,110	12,737
Held-to-maturity investments								
Other investments	7	12011	-	-	-			-
_	-	1010						
Total anticipated inflows	3,943,900	606,993	-	-	-		- 3,943,900	606,993
Net (outflow) / inflow		0114						
on financial instruments	3,709,065	545,703	(170,374)				- 3,538,691	545,703
instruments	3,709,000	040,700	(170,374)				- 3,530,091	545,703

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

	Within	1 Year	1 to 5	years	Over 5	years	Total contract	ctual cash flow
	2017	2016	2017	2016	2017	2016	2017	2016
Consolidated Entity	\$	\$	\$	\$	\$	\$	\$	\$
Interest rate swaps	- 1	-	-	-	-			-
Foreign exchange								
forward contracts		-	-	-	-			_

No Financial assets are pledged as collateral

#### 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, shares in listed companies and trusts, foreign exchange forward contracts, interest rate swaps, government and fixed interest securities, and cash and cash equivalents.

Interest rate risk to the company is minimal as the company has no borrowing facilities subject to variable interest rates. Currently the only company borrowings are fixed interest rate equipment finance facilities. The company is subject to interest rate risk from the interest receivable on cash and cash equivalents. This risk is viewed by the board as minimal effect on the company income.

#### Interest Rate Swaps

The consolidated group did not hold any interest rate swap contracts during the 2017 or 2016 Financial Year.

#### 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.

Thre group currently has no exposure to 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 interst rate and exchange rate risks on the companies operations.

#### Fair Values

#### Fair value estimation

The fair values of financial assets and financial liabilities are the same amounts as the carrying amounts as presented in the statement of financial position. Refer to Note 27 for detailed disclosures regarding the fair value measurement of the group's financial assets and financial liabilities.

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

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### Note 27 Fair Value Measurements

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

- Biological Assets
- Water rights and licences
- freehold land and buildings;

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

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

#### (a) Fair value hierarchy

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

Level 1

Measurements based on quoted prices
(unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

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

#### Valuation techniques

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

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

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

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

		30 June 2017			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements	Note	\$	\$	\$	\$
Inventory					
Inventory at fair value through profit or loss					
Biological Assets - current	10	-	-	1,874,720	1,874,720
Total inventory recognised at fair value on a recurring basis		_	-	1,874,720	1,874,720
Non-financial assets					
Farming Land Freehold		-	1,654,332	-	1,654,332
Water Rights and licences	12	686,450	-	-	686,450
Total non-financial assets recognised at fair value on a recurring	basis	686,450	1,654,332	-	2,340,782

(i) On the 17th of January 2017 settlement occurred for the purchase of Farm 1444d Bilbul and 563 Pinehope Road Grong Grong. These Farming Properties have not been revalued as 30th June 2017 as the Directors believe their market value at 30 June 2017 would be the same as the purchase price paid.

		30 June 2016			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements	Note	\$	\$	\$	\$
Financial assets					
Inventory at fair value through profit or loss					
Biological Assets - current				277,863	277,863
Total inventory recognised at fair value on a recurring basis		-	-	277,863	277,863

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

	Fair value (\$) at 30 Jun		
Description	2017	Valuation technique(s)	Inputs used
Non-financial assets			
Freehold land (i)	1,654,332	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
	1,654,332		

(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.

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

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

#### Valuation processes

The biological assets of the Company are considered Level 3 and are valued internally by the company as there is no observable market for them. The value is based on the estimated exit price per kilogram and the value changes for the average weight of each fish as it progresses through the growth and transformation cycle. The average weight of the fish is sample measured periodically, and the value is determine by applying the average weight to the estimated price based on staged weight values (100 gram 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.

#### Note 28 Reserves

		Consolidated Group		Parent Entity	
		2017	2016	2017	2016
	Note	\$	\$	\$	\$
Share Based Payment Reserve					
Share Based Payment Reserve		-	-	89,432	89,432
Options Reserve					
Options Issued		1,529,120	_	1,529,120	
Movement in Options Reserve		1,529,120	-	1,529,120	-
Performance Rights Reserve					
Performance Rights Issued		375,000	-	375,000	-
Movement in performance rights reserve		375,000	-	375,000	-

#### Note 29 Company Details

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

The principal places of business are: Murray Cod Australia Limited Farm 1444D Bilbul Road BILBUL NSW 2680

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

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

- 1. the financial statements and notes, as set out on pages 10 to 53, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2017 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 company 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			RSL	deisan	
			Ross Jame	es Anderson	
Dated this	25th	day of	September	2017	



#### MURRAY COD AUSTRALIA LIMITED AND CONTROLLED ENTITIES

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

#### PinnacleHPC Pty Ltd ABN 15 866 782 108

**Principals** 

John P Keenan CPA Morris G Massarotto CPA Graeme J Lyons CA Geoffrey M Marin CPA Allan J Andreazza CPA Angela C Favell CPA John P Farronato CA

Consultant Frank S Sergi CPA

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

I have audited the financial report of Murray Cod Australia Limited and controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

#### In my opinion:

- (a) the accompanying financial report of Murray Cod Australia Limited and controlled entities is in accordance with the *Corporations Act 2001*, including:
  - Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
  - ii. Complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and to plan and perform the audit to obtain reasonable assurance about whether the financial report is free from misstatement. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.



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

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

#### **Key Audit Matters**

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

#### Key audit matter

Biological assets (refer to note 10 – Biological assets and inventory)

I focused on this area as a key audit matter due to the amount involved being material as well as the subjectivity involved in the valuation aspect of the asset.

#### How my audit addressed the key audit matter

My procedures included, amongst other things:

- Observation of manual grading process;
- Observation of harvesting process;
- Making enquiries of management and the directors in relation to the life cycle of the biological assets and the movement of these assets around the farms;
- Review of recent sale and purchase prices and undertaking a comparison to 30 June 2017 valuation for reasonableness; and
- Making enquiries of directors in relation to valuation of biological assets when comparing to recent market prices.

#### Other Matter

The financial report of Murray Cod Australia Limited for the year ended 30 June 2016, was audited by another auditor who expressed an unmodified opinion on that report on 30 September 2016.

#### 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 2017, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Griffith - Centrepoint Building 135 Yambil Street, Griffith NSW 2680 Phone: 02 6960 1200 Fax: 02 6960 1299 PO Box 1467, Griffith NSW 2680 Email: info@pinnaclehpc.com.au PinnacleHPC Pty Ltd ABN 15 866 782 108

Morris G Massarotto CPA

Graeme J Lyons CA Geoffrey M Marin CPA

Allan J Andreazza CPA Angela C Favell CPA

John P Farronato CA

Consultant Frank S Sergi CPA

Principals
John P Keenan CPA



#### 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 is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement due to fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the

PinnacleHPC Pty Ltd ABN 15 866 782 108

Principals

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Consultant Frank S Sergi CPA



related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that I identify during my audit.

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

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

#### Report on the Remuneration Report

I have audited the remuneration report included in pages 8-11 of the directors' report for the year ended 30 June 2017. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. My responsibility is to express an opinion on the remuneration report, based on my audit conducted in accordance with Australian Accounting Standards.

#### **Auditor's Opinion**

In my opinion, the remuneration report of Murray Cod Australia Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act* 2001.

J.P. Keenan CPA

Registered Company Auditor 156228
135 Yambil Street Griffith NSW 2680

Dated this

day of Soptember

2017

Web: www.pinnaclehpc.com.au

PinnacleHPC Pty Ltd ABN 15 866 782 108

Graeme J Lyons CA

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Consultant

Principals John P Keenan CPA Morris G Massarotto CPA

# MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 30th August 2017

#### 1. Shareholding

a. Distribution of Shareholders	Ordinary					
Category (size of holding)	No. of Holders	No. of Units	% of Issued Capital			
1 – 1,000	43	1,885	0.0005%			
1,001 – 5,000	7	23,698	0.0068%			
5,001 – 10,000	40	362,767	0.1046%			
10,001 - 100,000	366	20,486,358	5.9068%			
100,001 – and over	278	325,950,976	93.9812%			
	734	346,825,684	100.0000%			

- b. The number of shareholdings held in less than marketable parcels is 55.
- c. The names of the substantial shareholders listed in the holding company's register are:

	Ordinary	/
Shareholder	No. of Shares	%
Entities Controlled by Mathew Ryan	68,928,572	20%
Entities Controlled by George Roger Commins	20,901,443	6%

#### d. Voting Rights

The voting rights attached to each class of equity security 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

- These shares have no voting rights.

#### e. 20 Largest Shareholders — Ordinary Shares

		Number of Ordinary Fully Paid Shares	% Held of Issued
Nam	- 11	Held	Ordinary Capital
1.	M & B Ryan Pty Ltd <m &="" a="" b="" c.<="" family="" ryan="" td=""><td>58,928,572</td><td>16.99%</td></m>	58,928,572	16.99%
2.	Brigalow Enterprises Pty Ltd <brigalow a="" c="" enterprises=""></brigalow>	20,357,143	5.87%
3.	Andersons Investment Services Pty Ltd <clearpoint cap="" fd="" global="" mkt=""></clearpoint>	12,500,000	3.60%
4.	Mr Matthew John Ryan	10,000,000	2.88%
5.	Albins Pty Ltd <albins a="" c="" super=""></albins>	10,000,000	2.88%
6.	The Esplanade Superannuation Pty Ltd <lympike a="" c="" f="" s=""></lympike>	9,300,000	2.68%
7.	SCMG Pty Ltd	9,000,000	2.59%
8.	George Roger Commins + Mrs Kerry Jean Forbes <the &="" a="" c="" commins="" fam="" g="" t=""></the>	9,000,000	2.59%
9.	Cameron Townsend + Therese Townsend	9,000,000	2.59%
10.	Mr Larry Michael Walsh	8,969,236	2.59%
11.	Group #591258 BNP Paribas Nominees Pty Ltd <ib au="" drp="" noms="" retailclient=""></ib>	8,704,524	2.51%
12.	Leeton Golf Benevolent Trust	8,000,000	2.31%
13.	Brondlax Pty Ltd	7,750,000	2.23%
14.	Group # 889789 Jetosea Pty Ltd	7,538,712	2.17%

# MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625 AND CONTROLLED ENTITIES ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

	_	214,048,187	61.68%
20.	Mr Scott Terence Hogan + Mrs Anita Maree Hogan < Hogan Family SuperFund	2,800,000	0.81%
19.	Raviana Pty Ltd <parisotto a="" c="" family=""></parisotto>	3,200,000	0.92%
18.	Mr Joshua Raymond + Mr Morgan Raymond <the dnomyar="" f="" s=""></the>	4,000,000	1.15%
17.	Kaitlin Commins	4,000,000	1.15%
16.	Beaurama Pty Ltd <phillips a="" c<="" investment="" td=""><td>4,000,000</td><td>1.15%</td></phillips>	4,000,000	1.15%
15.	Southern Cotton Pty Ltd	7,000,000	2.02%

- 2. The name of the company secretaries is Brett Tucker and Wendy Dillon
- 3. The address of the principal registered office in Australia is Level 1, 153 Yambil Street, GRIFFITH NSW 2680. Telephone +61 2 69625470
- 4. Registers of securities are held at the following addresses

Western Australia 110 Stirling Highway NEDLANDS WA 6009 NSW Suite 8H 325 Pitt Street SYDNEY NSW 2000

#### 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

**Deferred Consideration Shares** 

26,428,571 Deferred Consideration shares are on issue. These convert to ordinary shares upon production and sale of 100 tonnes of Murray Cod.

Options over Unissued Shares

A total of 90,350,000 options are on issue. Of these 77,000,000 options are on issue to 4 directors of Murray Cod Australia Limited

#### 7. Other Disclosures

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

The company has used its cash that it had at the time of admission to the official list of the ASX in a way consistent with its stated business objectives.



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