Catalano Seafood Limited

ABN 47 633 353 125

Annual Report
For the Year Ended 30 June 2022

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Catalano Seafood Limited
Corporate Information

Directors
Nicolino Catalano (Executive Chairman, CEO)
Low Koon Poh (Non-Executive Director)
Silvestro Morabito (Non-Executive Director)
Mark Kei Wei Leong (Non-Executive Director)

Company Secretaries
Harry Miller
Laurence Ziatas

Group Legal Counsel
Laurence Ziatas

Registered Office / Principal Place of Business
301 Collier Road
Bassendean WA 6054

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Share Register
Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: +61 1300 850 505

Auditor
Grant Thornton Audit Pty Ltd
Central Park
Level 43, 152-158 St Georges Terrace
Perth WA 6000

Solicitors
HWL Ebsworth
Level 20, 240 St Georges Terrace
Perth WA 6000

Principal Bankers
Australia and New Zealand Banking Group Limited
ANZ Centre, Level 9, 833 Collins Street
Docklands VIC 3008

Stock Exchange Listing
Catalano Seafood Limited shares are listed on the Australian Securities Exchange (ASX code: CSF)

Catalano Seafood Limited
Letter from the Chairman

Dear Fellow Shareholders,

I welcome you all as shareholders of your Company.

2022 has been a pivotal year for a family business which started over 53 years ago and transitioned to an ASX listed company on 11th March 2022.

Our first annual report for the financial year ended 30 June 2022 covers a challenging period for a variety of reasons. These include the cultural transition from a family business to a publicly listed company, the implementation of more stringent corporate governance and the unprecedented greater health and safety related issues linked to the Covid19 pandemic that we have all experienced.

Though challenging we have remained focused on delivering on the three key pillars as outlined in our Prospectus:

- Retail (known as our Seafood Category Management Solution or SMS)
- Processing
- Distribution and a National expansion

Retail

As at 30 June 2022, we had established two SMS concept stores and secured over seventeen preferred supplier stores (PSS) with initial sales results up 19.5% on the previous year. We have also introduced the Catalano frozen range into seven IGA stores in Victoria. As at 21 September 2022, we have nineteen PSS stores, and four new SMS stores are planning for go live in Q3 and Q4 of this financial year. We now have sixteen stores carrying the Catalano brand on the East Coast of Australia and sales are up 86% on budget, which demonstrates the outstanding effort of our East Coast team. Discussions are also underway with a multi store owner in Victoria for a turnkey SMS concept to be executed in one of his five stores. If this discussion (which is progressing positively) ends well, we anticipate the first SMS store on the East Coast to commence trading by Q2 of FY23. Although COVID 19 restricted the commencement of the east coast growth plan, the national expansion is progressing on target and management anticipates stores in Queensland and New South Wales to commence stocking our Company's Frozen range in Q3 of FY23.

Processing

The year ended with contract processing sales up 2.5% on the previous year. An investment of $765,000 on new plant and equipment has further enhanced our ability to expand our production volumes for the coming year and realise productivity improvements in the factory which will directly result in lower operating costs. Year to date, the contract processing strategy has commenced well with sales up 16% on budget. A new prawn peeling line will be installed and operational by the end of Q2. This additional automation will make our prawn processing more efficient and more cost effective. A further investment of $700,000 in additional plant and equipment, through Q1 and Q2 of this financial year will see added improvements in our overall productivity levels which will directly translate to cost savings in this part of the business. We are also leasing a further 1500 square meters of adjoining factory space which will allow us to improve the overall workflows of our production unit as well as increase our storage capacity by 700 pallets. The expansion of our factory facility is expected to commence on 1 October 2022.

Distribution

Our Distribution arm has now imported our third container of salmon from Norway which is now our number one selling imported line. We are also expecting our first three imported lines of seafood in Q2 which will complement and enhance the new lower price value brand we will be launching in October called "Fresca". We expect that in the backend of FY23 we will see a strong uplift in our distribution side of the business with more products becoming available in the open markets.

Catalano Seafood Limited
Letter from the Chairman

On behalf of the Board and myself I thank you all for the support you have demonstrated in this first year of our life as a public company and look forward to creating ongoing value for you all in the next 12 months and beyond.

I would also like to sincerely thank our team in Victoria for their fine work in launching Catalano's on the East Coast and our Sales and Production team here in Western Australia for their hard work and commitment to the Company.

Best wishes to you all.

Nick Catalano
Executive Chairman

Catalano Seafood Limited
Directors' Report
For the year ended 30 June 2022

The Directors present their report, together with the consolidated financial report, for Catalano Seafood Limited (the "Company") and its controlled entities (the "Group") for the year ended 30 June 2022.

Directors

The names of Directors in office at any time during the financial year and until the date of this report, are set out below. Directors were in office for this period unless otherwise stated.

Name	Position	Date Appointed	Date Resigned
Nicolino Catalano	Executive Chairman, CEO	27 May 2019	-
Low Koon Poh	Non-Executive Director	1 November 2019	-
Silvestro Morabito	Non-Executive Director	11 March 2022	-
Mark Kei Wei Leong	Non-Executive Director	11 July 2022	-
Sahafi Mohaamad Shamin	Non-Executive Director	8 November 2019	11 March 2022
May May (Danielle) Tan	Non-Executive Director	11 March 2022	8 July 2022

Principal Activities

The Group is a seafood processor, wholesaler, retailer and exporter. The Group is based in Perth, Western Australia, and operates from various Catalano-licenced locations across Perth.

Review of Operations

Catalano Seafood Limited was incorporated on 27 May 2019 in Western Australia and on 21 October 2021, converted to a public company limited by shares. The Company was admitted to the Australian Securities Exchange ("ASX") on 9 March 2022 and its ordinary shares commenced trading on 11 March 2022.

Corporate

- Successfully raised $5.026 million via an Initial Public Offer (IPO) by issuing 25,129,000 fully paid ordinary shares at $0.20 per share resulting in listing on the Australian Securities Exchange (ASX) on 9 March 2022.
- A number of Board appointments occurred in the year, including the appointment of Mr Silvestro Morabito and Ms May May (Danielle) Tan as Non-Executive Directors on listing of the Company on the ASX.

Operations

The 2022 year has thrown up some significant challenges. In particular COVID 19 causing increased freight costs and delays in shipping and transitioning from a family business to an ASX listed Company. Nevertheless, the Company was able to import and install $765k of new plant and equipment and expand into the east coast.

<u>Achievements:</u>

- ➢ Installed new machinery to Portion fish fillets, fish Scaling and Skin Packing machine for the Company's new look retail pack. These machines will increase production, be more cost effective and improve quality.
- ➢ In the year 2022 the Company processed 1,905.8 ton of fish.
- ➢ Volume of fresh fish production for the Company's retail markets was up 26.1 % on previous year
- ➢ New frozen skin pack range for supermarket retail grew from 9.7 ton to 83.3 ton.
- ➢ Committed to leasing an extra 1,500 meters of adjoining building for the purpose of erecting a 700-pallet freezer as of 1 October 2022.
- ➢ Have successfully passed audits by SQF, Aquis and SEDEX.
- ➢ Launched the Catalano frozen pack range into 7 IGA stores in Victoria. Now up to 16 and growing.
- ➢ Launched Company's new look "Seafood Category Management Solution" for independent supermarkets in WA. 2 SMS stores and in discussion for another 4. Won over a further 17 "Preferred Supplier Stores" as well as continuing to supply other IGA store.

Review of Operations (continued)
Operations (continued)

- Appointed Exisitco Systems to install Computerised software & hardware, plant & sales-controlled system including 5 stations with scales and scanning.
- Appointed JCN Marketing to further develop Company's brand and marketing division.
- Appointed a processing engineer to develop production flows for the Company's new plant and equipment.
- Secured a new contract processing client, Wild Barra expecting 200 ton of barramundi processing in the coming financial year.

The Company will continue to transition and develop its three Pillars Strategic Plan and expect to recognise growth in sales. In Q1, the Company committed to a further $700k on new plant & equipment including a Prawn Peeling Line, Batch Weigher, Multi Head Weigher and Filleting Lines. This equipment will save cost in efficiency and increase volume of production. A 700-pallet freezer will be installed enabling the Company to offer cold storage to its contract processing clients and charge for storage. It will also improve its management and give it more freezer space for our own products.

Review of Results
The Group incurred a net loss after tax for the year ended 30 June 2022 of $5,200,734. As at 30 June 2022, the Group had a net asset position of $4,175,755.

As at 30 June 2022, the Group held $3,122,348 in cash and cash equivalents.

Significant Changes in State of Affairs
Other than the events described in the Review of Operations above, there have been no other significant changes in the state of affairs of the Group during the year.

Events Subsequent to Reporting Period
On 8 July 2022, Miss May May (Danielle) Tan resigned as a director of the Company and Mr Mark Kei Wei Leong was appointed as a Non-Executive Director.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operations
Following completion of the IPO and ASX listing, the Company is progressing with the expansion of operations across Australia within its three-pillar strategic focus, upgrading of its Processing Facility and its range of products, rolling out of its "Seafood Category Management Solution" to independent and franchised supermarkets that do not have a seafood offering for their customers, and expanding its Distribution network in Australia and from overseas.

Directors' Details

Name	Nicolino Catalano
Title	Executive Chairman, CEO
Experience	Nick Catalano has been involved in the Catalano family seafood business since 1969 and has carried out all of the major roles from production, factory and sales management. Nick has been a proactive pioneer in the changing markets of the Australian seafood industry. He has steered the Company from a small family business and constructed the platforms to further build the company to one of the largest and most successful processors/retailers of fresh and frozen seafood in Australia, winning numerous state and national quality/business awards and recently inducted into the Family Business Australia Hall of Fame. With 49 years' experience, Nick is one of the most knowledgeable and respected seafood merchants in Australia
Interest in Shares & Options	1,175,009 fully paid ordinary shares
Other Listed Entity Directorships	None

Name	Low Koon Poh
Title	Non-Executive Director
Experience	Koon Low has been involved in capital markets advisory positions across multiple jurisdictions including Australia, Singapore, Malaysia, Hong Kong, the US NASDAQ and NYSE markets. He has been specialising in restructuring, mergers and acquisitions, and corporate transactions for over 30 years. Koon is a Chartered Accountant registered with the Malaysian Institute of Accountants, fellow member of Chartered Certified Accountants (UK), and a member of the ASEAN Chartered Professional Accountants.
Interest in Shares & Options	1,744,531 fully paid ordinary shares
Other Listed Entity Directorships	*Current* Non-Executive Director of Advanced Human Imaging (ASX:AHI) Executive Chairman, CEO of Medi Lifestyle Limited (SGX:5TN) *Previous* None

Directors' Details (continued)

Name	Silvestro Morabito
Title	Non-Executive Director
Experience	A strategic and commercial retail sector leader with a track record of success in multiple states of Australia, Singapore, New Zealand and Indonesia. Strategic thinker with strong planning disciplines. Ability to take an "ownership" approach to planning and expansion of a business. Proven ability to successfully lead a business through organisational change to consistently deliver strong results. Previous experience for Mr Morabito includes CEO and Director roles at Dairy Farm International between 2001 – 2005; CEO, General Manager and COO roles at Metcash between 2008 – 2013, currently Mr Morabito is the founder and Managing Director of Morabito Management Consulting. Mr Morabito's is currently a director of Goo Kidz Group and C3 Church. Mr Morabito's previous board experience includes BMS Group, Progressive Trading Pty Ltd, Dramet Holdings Pty Ltd, Adcome Pty Ltd, Metfood Pty Ltd and Robobai Pty Ltd.
Interest in Shares & Options	152,000 fully paid ordinary shares
Other Listed Entity Directorships	None

Name	Mark Kei Wei Leong
Title	Non-Executive Director
Experience	Mr Leong is a Fellow of the Association of Chartered Certified Accountants (ACCA), Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA) and Member of the Singapore Institute of Directors (SID). Mr Leong has more than 23 years of corporate, management and directorship experience in a broad range of functions in a diverse range of industries having undertaken several C-suite roles (CEO, COO, & CFO) in several private as well as listed companies and presently serves as Non-Executive Director in several Singapore and Australia listed companies.
Interest in Shares & Options	Nil
Other Listed Entity Directorships	*Current* Non-Executive Director of MDR Limited (SGX:Y3D) Non-Executive Director of HS Optimus Holdings Limited (SGX:504) Non-Executive Director of 9R Limited (SGX:1Y1) Non-Executive Director of LMIRT Management Ltd (SGX:D5IU): Executive Chairman of Osteopore Limited (ASX:OSX) *Previous* Non-Executive Director of LCT Holdings Limited (SGX:delisted December 2020)

Directors' Details (continued)

Name	Sahafi Mohaamad Shamin
Title	Non-Executive Director
Experience	Mr Shamin earned his Bachelor of Commerce from The University of Wollongong, Sydney Australia and holds professional accreditations as Chartered Islamic Finance Professional Programme (CIFP) Malaysia and professional accreditation as holder of Professional Certificate in Marketing (CIM) Malaysia. He is also a Member of the International Centre for Education in Islamic Finance (INCEIF). Mr Shamin started his career at Atradius Credit Insurance & Risk Management in Sydney Australia. He has extensive experience in the Malaysian finance and investment industry. He brings more than 15 years of banking and finance knowledge with public and privately held companies to this position. Mr Sahafi's current experience includes roles of Head of Corporate, Vice president and Senior Vice President at Infinity Trustee Berhad & Group of Companies from 2014 to present. Past experience at Jardin Smith International Berhad, MIDF Amanah Investment Bank Berhad, Affin Islamic Bank Berhad, Business Banking Division, Head Office, Bank Pembangunan Malaysia Berhad (BPMB) and Atradius Credit Insurance & Risk Management, Sydney (CBD) Australia.
Interest in Shares & Options	Nil
Other Listed Entity Directorships	None

Name	May May (Danielle) Tan
Title	Non-Executive Director
Experience	May May Tan (Danielle) is an operations, human resources and business leader with extensive experience in end-to-end solutions in industries relating but not limited to oil and gas, transport, banking and finance sectors. She has diverse professional exposure in international settings across Singapore, China, Japan, Brazil, Philippines, Japan, Vietnam, Korea and Australia. Danielle's most notable successes have been in process flow and structure implementation. She also has strong expertise in global mobility and human resources. Danielle has proven abilities in leading and working with high-performing, multi-cultural and cross-functional teams in the delivery and deployment of multiple projects. She is currently a director of Impact BPO Services Pte Ltd and was previously Country Manager of Brunel Consultancy (Shanghai) Limited, Regional operations manager of Brunei International S.E.A Pte Ltd, Senior Manager at SMRT Corporation Ltd and Assistant Vice President of the Singapore Exchange Ltd (SGX).
Interest in Shares & Options	Nil
Other Listed Entity Directorships	None

Company Secretary

Harry Miller

Harry Miller has a financial accounting, corporate advisory and company secretarial background across a number of sectors. He acts as Company Secretary for multiple ASX listed companies including Meeka Gold Limited (ASX: MEK), Minbos Resources Limited (ASX: MNB) and I Synergy Group Limited (ASX: IS3) as well as various private companies.

Mr Miller holds a Bachelor of Commerce degree and a Master of Professional Accounting from the University of Notre Dame Australia

Laurence Ziatas

Laurence Ziatas is a senior Australian lawyer and is admitted to practice in the Supreme Courts of Western Australia and South Australia and the High Court of Australia. He is a businessman with over 40 years' experience in business and the law.

Laurence holds two law degrees and an Executive Master of Business Administration from the University of Western Australia, and a Master of Mediation and Conflict Resolution from the University of South Australia. He was formerly the Founder, Director and Chairman of Resource Mining Corporation Limited (ASX: RMI), Lepidico Ltd (ASX:LPD) and Inca Minerals Limited (ASX:ICG).

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022 and the number of meetings attended by each director were:

	Board Meeting		**Audit & Risk Management / Remuneration and Nomination Committee Meetings***	
	Eligible to Attend	**Attended**	**Eligible to Attend**	**Attended**
Nicolino Catalano	3	3	-	-
Low Koon Poh	3	3	-	-
Silvestro Morabito	3	3	-	-
Sahafi Mohaamad Shamin	1	1	-	-
May May (Danielle) Tan	3	3	-	-

* these are conducted by the Board as a whole, as part of board meetings.

The Board also approved 17 circular resolutions during the year ended 30 June 2022 which were signed by all Directors of the Company.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and the Corporation Regulations 2001. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors.

The key management personnel of Catalano Seafood Limited for the financial year consists of:
- Nicolino Catalano (Executive Chairman, CEO – appointed 24 June 2019)
- Low Koon Poh (Non-Executive Director – appointed 1 November 2019)
- Silvestro Morabito (Non-Executive Director – appointed 11 March 2022)
- Sahafi Mohaamad Shamin (Non-Executive Director – appointed 8 November 2019)
- May May (Danielle) Tan (Non-Executive Director – appointed 11 March 2022)
- Paolino Catalano (Business Development Manager – appointed 24 June 2019
- Andrew Catalano (Factory Manager – appointed 24 June 2019)
- Mark Lupica (Retail Manager – appointed 24 June 2019)
- Michael Koukounaras (Head of Trading and Distribution – appointed 1 August 2020)

Principles used to Determine the Nature and Amount of Remuneration
The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Fixed remuneration consists of base remuneration, as well as employer contributions to superannuation funds where applicable.

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non- executive Director. The current amount has been set at an amount not to exceed $500,000 per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives (such as Options and Performance Rights) as the Directors determine, where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. The Company has adopted an employee incentive scheme titled "Employee Securities Incentive Plan" (Plan).

Where agreed by the Board, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

As the Company only became a public listed entity in the current financial year, no previous Remuneration Report has been presented to shareholders for adoption at the Annual General Meeting.

The Company did not engage any remuneration consultants during the financial year.

Principles used to Determine the Nature and Amount of Remuneration (continued)

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Nicolino Catalano Executive Chairman, CEO	Commenced employment: 24 June 2019 **Executive Services Agreement executed 8 November 2021** Term: Indefinite unless terminated with 6-months' notice Remuneration: Base salary of $200,000 (exclusive of superannuation), a vehicle for use in role as CEO of the Company up to the value of $40,000 or maintenance costs over the term of the Agreement for the Executive's vehicle of up to $40,000. Base salary may be increased by 0.2% of increase in gross revenue over the any prior 12-month period of the term of the agreement or pro-rata. Executive may be entitled to a short-term incentive bonus and incentive securities as determined by the Board from time to time (cash, shares, options, performance rights or other securities) with due consideration of the Company's Employee Securities Incentive Plan and key performance indicators set by the Board. **Employment Agreement executed 24 June 2019** Term: 2 years unless terminated with 12-weeks' notice Remuneration: Base salary of $150,000 (exclusive of superannuation), a vehicle for use up to the value of $40,000. Employee may be entitled to an incentive or other benefit as determined by the Company from time to in accordance with bonus scheme
Paolino Catalano Business Development Manager	Commenced employment: 24 June 2019 **Employment Agreement executed 8 November 2021** Term: Indefinite unless terminated with 6-months' notice Remuneration: Base salary of $225,000 (exclusive of superannuation), a vehicle for use up to the value of $60,000 or maintenance costs over the term of the Agreement for the Employee's vehicle of up to $60,000. Base salary may be increased by 0.2% of increase in gross revenue over the any prior 12-month period of the term of the agreement or pro-rata. Employee may be entitled to a bonus and incentive securities as determined by the Company from time to time (cash, shares, options, performance rights or other securities) with due consideration of the Company's Employee Securities Incentive Plan and key performance indicators set by the Company. **Employment Agreement executed 8 November 2021** Term: 2 years unless terminated with 12-weeks' notice Remuneration: Base salary of $150,000 (exclusive of superannuation), a vehicle for use up to the value of $40,000. Employee may be entitled to an incentive or other benefit as determined by the Company from time to in accordance with bonus scheme

Principles used to Determine the Nature and Amount of Remuneration (continued)

Service Agreements (continued)

Andrew Catalano Factory Manager	Commenced employment: 24 June 2019 **Employment Agreement executed 8 November 2021** Term: Indefinite unless terminated with 6-months' notice Remuneration: Base salary of $150,000 (exclusive of superannuation), a vehicle for use up to the value of $40,000 or maintenance costs over the term of the Agreement for the Employee's vehicle of up to $40,000. Base salary may be increased by 0.2% of increase in gross revenue over the any prior 12-month period of the term of the agreement or pro-rata. Employee may be entitled to a bonus and incentive securities as determined by the Company from time to time (cash, shares, options, performance rights or other securities) with due consideration of the Company's Employee Securities Incentive Plan and key performance indicators set by the Company. **Employment Agreement executed 24 June 2019** Term: 2 years unless terminated with 12-weeks' notice Remuneration: Base salary of $125,000 (exclusive of superannuation), a vehicle for use up to the value of $40,000. Employee may be entitled to an incentive or other benefit as determined by the Company from time to in accordance with bonus scheme
Mark Lupica Retail Manager	Commenced employment: 24 June 2019 **Employment Agreement executed 8 November 2021** Term: 2 years unless terminated with 12-weeks' notice Remuneration: Base salary of $140,000 (exclusive of superannuation), a vehicle for use up to the value of $40,000 or maintenance costs over the term of the Agreement for the Employee's vehicle of up to $40,000. Base salary may be increased by 0.2% of increase in gross revenue over the any prior 12-month period of the term of the agreement or pro-rata. Employee may be entitled to a bonus and incentive securities as determined by the Company from time to time (cash, shares, options, performance rights or other securities) with due consideration of the Company's Employee Securities Incentive Plan and key performance indicators set by the Company **Employment Agreement executed 24 June 2019** Term: 2 years unless terminated with 12-weeks' notice Remuneration: Base salary of $115,000 (exclusive of superannuation), a vehicle for use up to the value of $40,000. Employee may be entitled to an incentive or other benefit as determined by the Company from time to in accordance with bonus scheme
Michael Koukounaras Head of Trading and Distribution	Commenced employment: 1 August 2020 Term: Indefinite unless terminated Remuneration: Base salary of $195,000 (exclusive of superannuation), a vehicle allowance of $1,000 per month and reimbursement of vehicle expenses.

Principles used to Determine the Nature and Amount of Remuneration (continued)

Consulting Agreements

Remuneration for key management personnel is also formalised in consulting agreements. Details of these agreements are as follows:

Morabito Management Consulting – Silvestro Morabito Non-Executive Director	Commenced engagement 1 May 2021 Term: Indefinite unless terminated with 1-months' notice Remuneration: Monthly retainer of $6,000 plus GST with the Company covering out of pocket expenses

Performance on shareholder wealth

	30 June 2022 **$**
Earnings per share (cents)	(4.42)
Dividends	-
Net loss after tax	(5,200,724)
Share price	0.19

Details of Remuneration

Details of the remuneration of key management personnel of the Company are set out in the following table.

	Short-term benefits			Post-employment benefits	Share-based payments		
	Salary and fees	Cash bonus	Non-monetary	Super-annuation	Equity-settled shares	Equity-settled options	Total
2022	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Directors							
Nicolino Catalano	179,436	-	-	17,929	-	-	197,365
Low Koon Poh	10,000	-	-	-	-	-	10,000
Silvestro Morabito [1]	91,792	-	-	1,000	-	-	92,792
Sahafi Mohaamad Shamin [2]	-	-	-	-	-	-	-
May May (Danielle) Tan [3]	10,000	-	-	-	-	-	10,000
Key Management Personnel							
Paolino Catalano	184,605	-	-	18,445	-	-	203,050
Andrew Catalano	132,211	-	-	13,209	-	-	145,420
Mark Lupica	126,635	-	-	12,652	-	-	139,287
Michael Koukounaras	206,466	-	-	20,627	-	-	227,093
	941,145	**-**	**-**	**83,862**	**-**	**-**	**1,025,007**

[1] Engaged as a consultant in May 2021, appointed as a Non-Executive Director on 11 March 2022
[2] Resigned on 11 March 2022
[3] Appointed on 11 March 2022, resigned 8 July 2022

Details of Remuneration (continued)

	Short-term benefits			Post-employment benefits	Share-based payments		
	Salary and fees	Cash bonus	Non-monetary	Super-annuation	Equity-settled shares	Equity-settled options	Total
2021	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Directors							
Nicolino Catalano [1]	150,018	-	-	14,252	-	-	164,270
Low Koon Poh [2]	-	-	-	-	-	-	-
Sahafi Mohaamad Shamin [3]	-	-	-	-	-	-	-
Key Management Personnel							
Paolino Catalano [4]	161,925	-	-	15,383	-	-	177,308
Andrew Catalano [5]	126,000	-	-	11,970	-	-	137,970
Mark Lupica [6]	124,846	-	-	11,861	-	-	136,707
Michael Koukounaras [7]	186,614	-	-	17,728	-	-	204,342
Silvestro Morabito [8]	18,615	-	-	-	-	-	18,615
	768,018	**-**	**-**	**71,194**	**-**	**-**	**839,212**

[1] Appointed on 24 June 2019
[2] Appointed on 1 November 2019
[3] Appointed on 8 November 2019
[4] Appointed on 24 June 2019
[5] Appointed on 24 June 2019
[6] Appointed on 24 June 2019
[7] Appointed on 1 August 2020
[8] Engaged as a consultant on 1 May 2021

Details of Remuneration (continued)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration	At Risk – STI	At Risk – LTI
2022			
Directors			
Nicolino Catalano	100%	-	-
Low Koon Poh	100%	-	-
Silvestro Morabito	100%	-	-
Sahafi Mohaamad Shamin	100%	-	-
May May (Danielle) Tan	100%	-	-
Key Management Personnel			
Paolino Catalano	100%	-	-
Andrew Catalano	100%	-	-
Mark Lupica	100%	-	-
Michael Koukounaras	100%	-	-

	Fixed remuneration	At Risk – STI	At Risk – LTI
2021			
Directors			
Nicolino Catalano	100%	-	-
Low Koon Poh	100%	-	-
Sahafi Mohaamad Shamin	100%	-	-
Key Management Personnel			
Paolino Catalano	100%	-	-
Andrew Catalano	100%	-	-
Mark Lupica	100%	-	-
Michael Koukounaras	100%	-	-
Silvestro Morabito	100%	-	-

Share-based Compensation

Options Issued as Remuneration

No options over ordinary shares affecting remuneration of directors and other key management personnel were granted in the current or previous financial years.

Additional Disclosures Relating to Key Management Personnel

Shareholding
The number of shares in the Company held during the financial year ended 30 June 2022 by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

2022	Balance at the start of the year	Balance at appointment	Additions[1]	Other[2]	Balance at the end of the year
Directors					
Nicolino Catalano	1	-	1,175,000	8	1,175,009
Low Koon Poh	195,000	-	-	1,549,531	1,744,531
Silvestro Morabito	-	-	152,000	-	152,000
Sahafi Mohaamad Shamin	-	-	-	-	-
May May (Danielle) Tan	-	-	-	-	-
Key Management Personnel					
Paolino Catalano	-	-	625,000	-	625,000
Andrew Catalano	-	-	403,989	-	403,989
Mark Lupica	-	-	230,000	-	230,000
Michael Koukounaras	-	-	-	-	-
	195,001	**-**	**2,585,989**	**1,549,539**	**4,330,529**

[1] On 1 September 2021, the Company's share capital was reconstructed via a share split in the ratio of 8.946 shares received for every 1 ordinary share held
[2] Additions relate to shares acquired via pre-IPO seed capital raising and / or IPO, and shares granted to management pursuant to the Business Sale Agreement

2021	Balance at the start of the year	Balance at appointment	Additions	Other[1]	Balance at the end of the year
Directors					
Nicolino Catalano	1	-	-	-	1
Low Koon Poh	195,000	-	-	-	195,000
Sahafi Mohaamad Shamin	-	-	-	-	-
Key Management Personnel					
Paolino Catalano	-	-	-	-	-
Andrew Catalano	-	-	-	-	-
Mark Lupica	-	-	-	-	-
Michael Koukounaras	-	-	-	-	-
Silvestro Morabito	-	-	-	-	-
	195,001	**-**	**-**	**-**	**195,001**

Option holding
No options over ordinary shares in the Company were held during the financial years ended 30 June 2022 and 30 June 2021 by any director and other members of key management personnel of the Company, including their personally related parties.

Other Equity-related Key Management Personnel Transactions
There have been no other transactions involving equity instruments apart from those described in the tables above relating to shareholdings.

Other Transactions with Key Management Personnel and/or their Related Parties

There were no other transactions conducted between the Company and Key Management Personnel or their related parties, apart from those disclosed above, 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.

End of Remuneration Report (Audited)

Share Options

At the date of this report, the unissued ordinary shares of the Company under option are as follows.

Number of Options Granted	Grant Date	Expiry Date	Exercise Price ($)
2,500,000	3 December 2021	30 June 2025	0.30

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of a State or Territory. There have been no significant breaches during the period covered by this report.

Non-Audit Services

The following non-audit services were provided by a related entity of the Company's auditor, Grant Thornton Audit Pty Ltd. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. Grant Thornton Corporate Finance Pty Ltd received the following amounts for the provision of non-audit services:

Grant Thornton Corporate Finance Pty Ltd received the following amounts for the provision of non-audit services:

	$
Assurance related – Investigating accountants' report	40,000

Indemnification of Officers

Insurance of officers

During the year, Catalano Seafood Ltd paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Company against a liability incurred as such by an officer.

Proceedings of Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Auditor’s Independence Declaration

The auditor’s independence declaration as required under Section 307C of the Corporations Act 2001 has been received and immediately follows the Directors’ Report.

Dividends Paid or Recommended

No dividends were paid or recommended during the year ended 30 June 2022.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support and have adhered to principles of sound corporate governance. The Company continued to follow best practice recommendations as set out by the 4th edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Company’s website.

Signed in accordance with a resolution of the Directors.

Catalano

Nicolino (Nick) Catalano
Executive Chairman, CEO
30 September 2022

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Auditor's Independence Declaration

To the Directors of Catalano Seafood Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Catalano Seafood Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 30 September 2022

Catalano Seafood Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Revenue	2	14,401,619	16,990,843
Cost of sales	5	(11,819,690)	(13,819,633)
Gross Profit		2,581,929	3,171,210
Other income	3	14,750	65,783
Selling and distribution expenses	4	(2,143,248)	(2,311,497)
Administrative expenses	4	(2,814,761)	(1,264,085)
Other expenses		(137,442)	(114,414)
Impairment expense	13	(2,647,195)	-
Operating loss		**(5,145,967)**	**(453,003)**
Finance costs		(54,757)	(47,336)
Loss before tax		**(5,200,724)**	**(500,339)**
Income tax expense	6	**-**	-
Loss after income tax expense		**(5,200,724)**	**(500,339)**
Other comprehensive income			
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(5,200,724)**	**(500,339)**
Earnings per share			
Basic loss per share (cents)	21	(8.87)	(1.18)
Diluted loss per share (cents)	21	(8.87)	(1.18)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Catalano Seafood Limited
Consolidated Statement of Financial Position
As at 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Assets			
Current assets			
Cash and cash equivalents	7	3,122,348	236,490
Trade and other receivables	8	372,398	582,341
Inventories	9	1,883,296	1,116,059
Other current assets	10	211,483	19,098
Total current assets		**5,589,525**	**1,953,988**
Non-current assets			
Property, plant and equipment	11	1,166,931	923,937
Right of use assets	12	498,108	1,059,958
Intangible assets	13	-	2,647,195
Total non-current assets		**1,665,039**	**4,631,090**
Total assets		**7,254,564**	**6,585,078**
Liabilities			
Current liabilities			
Trade and other payables	14	1,631,574	1,460,687
Leases liabilities	15	403,891	609,797
Provisions	16	890,452	574,442
Total current liabilities		**2,925,917**	**2,644,926**
Non-current liabilities			
Lease liabilities	15	108,567	466,552
Provisions	16	44,325	19,819
Financial liabilities	17	-	300,000
Total non-current liabilities		**152,892**	**786,371**
Total liabilities		**3,078,809**	**3,431,297**
Net assets		**4,175,755**	**3,153,781**
Equity			
Issued capital	18	10,764,084	4,750,001
Share-based payment reserve	19	208,615	-
Accumulated losses		(6,796,944)	(1,596,220)
Total equity		**4,175,755**	**3,153,781**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Catalano Seafood Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2022

	Note	Issued Capital $	Share Based Payment Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2020		**4,750,001**	**-**	**(1,095,881)**	**3,654,120**
Loss for the year		-	-	(500,339)	(500,339)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(500,339)	(500,339)
Balance at 30 June 2021		**4,750,001**	**-**	**(1,596,220)**	**3,153,781**
Loss for the year		-	-	(5,200,724)	(5,200,724)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(5,200,724)	(5,200,724)
Issue of corporate adviser shares	18	50,000	-	-	50,000
Issue of management shares	18	500,000	-	-	500,000
Pre-IPO seed	18	750,000	-	-	750,000
Shares issued – convertible loan	18	300,000	-	-	300,000
Initial public offer – Public Offer	18	5,025,800	-	-	5,025,800
Initial public offer – Lead Manager	18	100,000	-	-	100,000
Options issued – Lead Manager	19	-	208,615	-	208,615
Share issue costs	18	(711,717)	-	-	(711,717)
Balance at 30 June 2022		**10,764,084**	**208,615**	**(6,796,944)**	**4,175,755**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Catalano Seafood Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		14,772,914	16,666,808
Payments to suppliers and employees (inclusive of GST)		(16,179,307)	(16,480,819)
Interest paid		(54,757)	(47,336)
Other income		14,750	65,783
Net cash (used in) / from operating activities	27	**(1,446,400)**	**204,436**
Cash flows from investing activities			
Payments for property, plant and equipment		(425,044)	(204,732)
Proceeds from sale of property, plant and equipment		5,455	7,307
Net cash (used in) investing activities		**(419,589)**	**(197,425)**
Cash flows from financing activities			
Proceeds from issue of share capital		5,775,800	-
Share issue costs		(403,102)	-
Repayment of lease liabilities		(620,851)	(485,657)
Proceeds from borrowings		-	300,000
Net cash from / (used in) financing activities		**4,751,847**	**(185,657)**
Net increase / (decrease) in cash and cash equivalents		2,885,858	(178,646)
Cash and cash equivalents at the beginning of the financial year		236,490	415,136
Cash and cash equivalents at the end of the financial year	7	**3,122,348**	**236,490**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant Accounting Policies

General
These consolidated financial statements present the financial information for Catalano Seafood Limited (the "Company") and its controlled entities (the "Group") for the year ended 30 June 2022. Catalano Seafood Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are 301 Collier Road, Bassendean, WA 6054. The financial report was authorised for issue by the Board on 30 September 2022.

Basis of Preparation
The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. Catalano Seafood Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements have been presented in Australian dollars (AUD), which is the functional currency of the Group.

Going Concern
This financial report is prepared on the going concern basis and assumes the continuation of normal business activities for at least the next 12 months following the signing of these financial statements.

The Group's result for the year included a loss totalling $5,200,724 and as at that date, recorded a cash outflow from operating activities totalling $1,446,400. The Group held cash and cash equivalents of $3,122,348 at 30 June 2022 and recorded a working capital surplus of $2,663,608.

The ability of the Group to continue as going concern and to pay their debts as and when they fall due is dependent on the following:

- achieving revenue targets in line with management's forecasts;
- managing all costs in line with management's forecasts; and
- continued support of the Company's major shareholders and funders.

Should the Company be unable to maintain sufficient funding as outlined above, there is material uncertainty whether or not the Company will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern. The Directors believe that the Company will be successful in the above matters and accordingly, have prepared the financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2022

Note 1. Significant Accounting Policies (continued)

New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Accounting pronouncements which have become effective from 1 July 2021 and that have been adopted, do not have a significant impact on the Group's financial results or position.

New Accounting Standards and Interpretations Not Yet Mandatory

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Principles of consolidation

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue Recognition

The entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 1. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery

Other income

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the year necessary to match them with the costs that they are intended to compensate.

Income Tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 1. Significant Accounting Policies (continued)

Income Tax
Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Segment Reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services;
- Nature of the production processes;
- Type or class of customer for the products and services;
- Methods used to distribute the products or provide the services; and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

Note 1. Significant Accounting Policies (continued)

Current and Non-Current Classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1. Significant Accounting Policies (continued)

Property, Plant and Equipment
Property, plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, 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. 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.

Depreciation
The depreciable amount of all fixed assets is depreciated over its useful life commencing from the time the asset is held ready for use. Depreciation is computed using the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

- Leasehold Improvements Shorter of useful life of 3 – 40 years and remaining term of lease
- Plant and Equipment 3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and where adjusted, shall be accounted for as a change in accounting estimate. Where depreciation rates or method are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1. Significant Accounting Policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of Non-Financial Assets
The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial Instruments
Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Note 1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds.

There are no FVPL and FVOCI instruments for the Group.

Impairment of Financial assets

AASB 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Note 1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Impairment of Financial assets ((continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade payables and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group does not hold any financial liabilities classified as fair value through profit or loss measurement category.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 1. Significant Accounting Policies (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are amortised through profit and loss.

Employee Benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair Value Measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Significant Accounting Policies (continued)

Fair Value Measurement (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Earnings per share

Basic loss per share is determined by dividing the operating profit / (loss) after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year

Diluted loss per share adjusts the amounts used in the determination of basic loss per share by taking into account unpaid amounts on ordinary shares and any reduction in loss per share that will probably arise from the exercise of options outstanding during the financial year.

Share-Based Payments

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

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

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

Note 1. Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

Critical accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 1. Significant Accounting Policies (continued)

Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

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

Impairment of goodwill and intangibles with indefinite useful lives

Impairment of goodwill and intangibles with indefinite useful lives The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 13.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Share-Based Payments

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

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Note 2. Revenue

	30 June 2022 $	30 June 2021 $
Revenue from contracts with customers		
The Group’s revenue disaggregated by segment is as follows:		
Processing / Wholesale	11,477,426	7,343,856
Retail sales	2,924,193	9,646,987
Total revenue	**14,401,619**	**16,990,843**
Revenue recognised at point in time	14,401,619	16,990,843
Revenue recognised over time	-	-
	14,401,619	**16,990,843**

Note 3. Other income

	30 June 2022 $	30 June 2021 $
Other income	13,825	60,467
Interest received	925	-
	14,750	**65,783**

Note 4. Expenses

	30 June 2022 $	30 June 2021 $
Loss before income tax includes the following specific expenses:		
Selling and distribution expenses mainly comprise of:		
Employee expenses	1,606,073	1,691,887
Depreciation	380,767	449,347
Distribution expenses	156,408	170,263
	2,143,248	**2,311,497**

Note 4. Expenses (continued)

	30 June 2022 $	30 June 2021 $
Administrative *expenses mainly comprise of:*		
Audit fees	67,314	46,789
Accounting fees	60,143	93,745
Company Secretary	35,391	-
Legal fees	278,341	62,950
IPO related listing expenses	185,689	-
Consulting fees	276,964	74,921
Share based payment expense (Refer to Note 20)	550,000	-
Employee expenses	828,606	524,279
Other expenses	532,313	461,401
	2,814,761	**1,264,085**
Employee benefits expense		
Included in cost of sales		
Wages	2,051,940	2,074,424
Superannuation	206,486	193,882
Included in selling and distribution expenses		
Salaries and wages	975,337	1,106,294
Superannuation	82,426	100,516
Included in administrative expenses		
Salaries and wages	749,597	477,956
Superannuation	79,009	46,323

Note 5. Cost of sales

	30 June 2022 $	30 June 2021 $
Raw materials	8,828,252	10,803,408
Overheads	397,184	437,375
Depreciation and amortisation	335,828	310,544
Labour – wages	2,051,940	2,074,424
Labour - superannuation	206,486	193,882
	11,819,690	**13,819,633**

Note 6. Income Tax

	30 Jun 2022 $	30 Jun 2021 $
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of 25% and the reported tax expense in profit or loss are as follows:		
(a) Tax expense comprises:		
Current tax		
Current tax expense	-	-
Deferred tax expense/(benefit)	(473,382)	(109,615)
Deferred tax assets unrecognsied	473,382	109,615
Income tax expense / (benefit)	-	-
(b) Accounting profit / (loss) before tax	(5,200,724)	(500,339)
Domestic tax rate for Catalano Seafood Limited of 25% (2021: 26%)	(1,300,181)	(130,104)
Share based payments	165,000	-
Goodwill impairment	661,799	20,489
Deferred Tax Assets not brought to account	473,382	109,615
	661,799	**20,489**
(c) Deferred tax assets and liabilities		
Recognised DTA/(DTL)		
Prepayment	(17,236)	(4,965)
Plant & Equipment	(40,199)	-
Right of use asset	(8,738)	4,264
Provisions	66,173	701
Total	**-**	**-**
Unrecognised DTA/(DTL)		
Provisions	156,440	148,653
Accruals	32,403	28,702
Plant & Equipment	-	8,484
Capital raising costs - Equity	100,775	-
Tax Losses	745,536	311,903
Total	**1,035,154**	**497,742**

The Group has tax losses that are available indefinitely to be offset against the future taxable profits of the Group. The potential deferred tax assets, arising from tax losses (as disclosed above) are not brought to account as management is of the view that there is uncertainty in the realisation of the related tax benefits through future taxable profits. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

Note 7. Cash and Cash Equivalents

	30 Jun 2022 $	30 Jun 2021 $
Cash in bank	**3,122,348**	**236,490**

Note 8. Trade and Other Receivables

	30 June 2022 $	30 June 2021 $
Trade receivables	372,398	582,341
Less: Allowance for expected credit losses	-	-
	372,398	**582,341**

Allowance for expected credit losses

The Group has recognised a loss of $nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2022 (30 June 2021: $nil).

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022 %	2021 %	2022 $	2021 $	2022 $	2021 $
Not overdue	-	-	333,979	439,504	-	-
0 to 3 months overdue	-	-	38,419	49,534	-	-
3 to 6 months overdue	-	-	-	973	-	-
Over 6 months overdue	-	-	-	92,330	-	-
			372,398	**582,341**	-	-

Expected credit losses have not been recognised for the year ended 30 June 2022 as based on historical credit loss experience with forward looking factors, the full carrying value of the amounts is expected to be received. Expected credit losses have not been recognised for the years ended 30 June 2022 as based on historical credit loss experience with forward looking factors, the full carrying value of the amounts is expected to be received

Note 9. Inventories

	30 June 2022 $	30 June 2021 $
Raw materials and finished product	**1,883,296**	**1,116,059**

Note 10. Other current assets

	30 June 2022 $	30 June 2021 $
Prepaid insurance	68,236	18,388
Prepayments for equipment purchases	141,850	-
Other prepayments	1,397	710
	211,483	**19,098**

Note 11. Property, Plant and Equipment

	30 June 2022 **$**	**30 June 2021** **$**
Leasehold Improvements – at cost	269,711	269,711
Less: Accumulated depreciation	(20,531)	(13,689)
	249,180	256,022
Plant and Equipment – at cost	1,158,364	815,600
Less: Accumulated depreciation	(240,613)	(147,685)
	917,751	667,915
	1,166,931	**923,937**

The following tables show the movements in property, plant and equipment:

	Leasehold Improvements $	**Plant and Equipment** $	**Total** $
Cost			
Balance at 1 July 2021	**269,711**	**815,600**	**1,085,311**
Additions during the year	-	500,256	500,256
Disposals during the year	-	(157,492)	(157,492)
At 30 June 2022	**269,711**	**1,158,364**	**1,428,075**
Accumulated depreciation			
Balance at 1 July 2021	**(13,689)**	**(147,685)**	**(161,374)**
Depreciation	(6,842)	(101,765)	(108,607)
Disposals during the year	-	8,837	8,837
At 30 June 2022	**(20,531)**	**(240,613)**	**(261,144)**
Net carrying amount			
At 30 June 2022	**249,180**	**917,751**	**1,166,931**

Note 12. Right of Use Asset

	30 June 2022 $	30 June 2021 $
Land and Buildings – at cost	1,896,206	1,872,567
Less: Accumulated depreciation	(1,482,695)	(874,409)
	413,511	**998,158**
Motor vehicles – at cost	106,379	73,058
Less: Accumulated depreciation	(21,782)	(11,258)
	84,597	**61,800**
	498,108	**1,059,958**

The Group leases land and buildings for its offices, warehouses, and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases motor vehicles under agreements of between three to seven years.

The Group leases office equipment under agreements which either considered low-value or short-term, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 13. Intangible Asset

	30 June 2022 $	30 June 2021 $
Goodwill	3,147,195	3,147,195
Less: Accumulated impairment losses	(3,147,195)	(500,000)
	-	**2,647,195**

The following table shows the movement in goodwill:

	Total $
Balance at 1 July 2020	2,647,195
Impairment of assets	-
Amortisation expense	-
Balance at 30 June 2021	**2,647,195**
Impairment of assets	(2,647,195)
Amortisation expense	-
Balance at 30 June 2022	**-**

Note 13. Intangible Asset (continued)

Impairment testing
Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	30 June 2022 $	30 June 2021 $
Retail segment	-	-
Processing segment	-	2,647,195
Total carrying amount of goodwill	**-**	**2,647,195**

The Group performed the annual impairment test in June 2021. The Group considers the relationship between its equity market capitalisation and the net assets as shown on the balance sheet, among other factors, when reviewing for indicators of impairment. No indicators of impairment are noted. In considering the carrying value of goodwill, the Directors have adopted a value in use methodology to determine the recoverable amounts of each CGU which confirms that impairment exists resulting in an impairment expense being recognised totalling $2,647,195.

The recoverable amount of each CGU has been determined based on a value in use calculation that uses the cash flow budgets over a one-year period, followed by an extrapolation of expected cash flows for the CGUs over a four-year period using the growth rates determined by management and the assumptions outlined below. The present value of the expected cash flows and a terminal value for each segment is determined by applying a suitable discount rate.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions
Management's key assumption is that retail conditions will continue to experience difficulties, however, positive trading in comparison to the previously affected COVID-19 trading periods are expected. Cash flow projections reflect realistic profit margins and growth rates and that no material deterioration in the cash margin is anticipated. In making this assessment the possible impacts of COVID-19 have been considered. The sensitivity analysis undertaken considers each key assumption in isolation and does not consider any remedial action that may be taken if, for example, margins were to deteriorate.

The calculation of value in use for each CGU is most sensitive to the following assumptions:

Gross profit margins - are based upon FY23 budgets and margins achieved in the current year. Gross profit margins are the most sensitive variable to the value in use calculation. However, a reasonable possible change is not likely to cause a material impairment. If gross profit margins were to reduce by more than 400 basis points without any compensating adjustment to cash flows, then it is likely that a goodwill impairment charge would occur.

Cost price inflation – has been based upon publicly available inflationary data.

Growth rate estimates – It is acknowledged that technological change, macro-economic factors, and an action of competitors can have an impact on growth rate assumptions. Growth rates for revenue and costs have been assumed from years 2 to 5 and beyond, at 1.8%. If terminal growth was to reduce to zero, in real terms, then it is estimated that a goodwill impairment charge is unlikely.

Note 13. Intangible Asset (continued)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions (continued)

Discount rates – represent the current market risks, taking into consideration the time value of money and specific risks not incorporated in the cash flow forecasts. The discount rate is based upon the weighted average cost of capital (WACC). WACC is assessed considering the expected return on investment by investors, the cost of debt servicing plus beta factors for industry risk. The Directors have adopted a WACC of 10% which is applied to the forecast pre-tax cash flows after capital expenditure of each CGU.

Note 14. Trade and Other Payables

	30 Jun 2022 $	30 June 2021 $
Trade Payables	1,433,561	1,206,906
Accrued Expenses	129,612	140,391
Other Payables	68,401	113,390
	1,631,574	**1,460,687**

Trade payables are due to third parties, unsecured, interest-free and repayable according to credit terms of 15-30 days. The carrying amounts of trade payables approximate their fair value.

Note 15. Lease Liabilities

	30 Jun 2022 $	30 June 2021 $
Current	403,891	609,797
Non-current	108,567	466,552
	512,458	**1,076,349**

Group as a lessee

The Group has lease contracts for buildings and vehicles. Leased vehicles have lease terms between 1 and 5 years, whilst leases over land and buildings have lease terms of between 2 and 4 years. The Group's obligations under its leases are secured by the lessor title to the leased assets.

Payments of $10,530 were made in relation to short term or low value lease exemptions applied during the current financial year

The following are the amounts recognised in profit or loss:

	30 Jun 2022 $	30 June 2021 $
Depreciation of right-of-use assets	606,669	651,900
Interest expense on lease liabilities	21,996	36,280
	628,665	**688,180**

Note 15. Lease Liabilities (continued)

The Group had total cash outflows for leases of $620,851 for the current financial year (30 June 2021: $619,638). Non-cash additions to right of use assets in the current financial year included a motor vehicle lease with a right of use value of $36,496 and remeasurement of the factory premises lease due to lease instalment escalation (30 June 2021: $nil).

Future minimum lease payments at 30 June 2022 in respect of right-of-use assets were as follows

	Minimum Lease Payments			
	Within 1 Year	**1-5 Years**	**After 5 Years**	**Total**
2022				
Lease payments	414,835	110,226	-	525,061
Finance charges	(8,788)	(3,815)	-	(12,603)
Net present value	**406,047**	**106,411**	**-**	**512,458**
2021				
Lease payments	630,704	475,043	-	1,105,747
Finance charges	(20,907)	(8,491)	-	(29,398)
Net present value	**609,797**	**466,552**	**-**	**1,076,349**

Note 16. Provisions

	30 June 2022 **$**	**30 June 2022** **$**
Current		
Annual leave	610,435	415,793
Long service leave	280,017	158,649
	890,452	**574,442**
Non-Current		
Long service leave	**44,325**	**19,819**

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 17. Financial Liabilities

	30 June 2022 **$**	**30 June 2021** **$**
Unsecured loans from shareholders	**-**	**300,000**

On 3 March 2022, pursuant to a loan agreement with The Rain Maker MGMT Sdn Bhd executed in June 2020, the unsecured loan was converted into 1,500,000 ordinary shares at $0.20 per share (refer to Note 18).

Catalano Seafood Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2022

Note 18. Issued Capital

	30 June 2022		30 June 2021	
	No. of Shares	**A$**	**No. of Shares**	**$**
Fully paid ordinary shares	**80,124,000**	**10,764,084**	**4,750,001**	**4,750,001**

	Date	**No. of Shares**	**Issue Price $**	**$**
Movements in ordinary share capital				
Balance as at 1 July 2020		**4,750,001**		**4,750,001**
Balance as at 30 June 2021		**4,750,001**		**4,750,001**
Share split 1:8.946 [1]	1-Sep-21	37,744,999	-	-
Issue of corporate adviser shares [2]	7-Oct-21	500,000	0.10 [2]	50,000
Pre-IPO seed [3]	8-Oct-21	3,500,000	0.10	350,000
Issue of management shares [4]	15-Oct-21	2,500,000	0.20 [4]	500,000
Pre-IPO seed [3]	18-Oct-21	625,000	0.10	62,500
Pre-IPO seed [3]	22-Oct-21	625,000	0.10	62,500
Pre-IPO seed [3]	3-Nov-21	1,120,000	0.10	112,000
Pre-IPO seed [3]	29-Nov-21	1,630,000	0.10	163,000
Shares issued – convertible loan [5]	3-Mar-222	1,500,000	0.20	300,000
Initial public offer – Public Offer [6]	3-Mar-222	25,129,000	0.20	5,025,800
Initial public offer – Lead Manager [7]	3-Mar-222	500,000	0.20	100,000
Share issue costs		-		(711,717)
Balance at 30 June 2022		**80,124,000**		**10,764,084**

[1] On 1 September 2021, the Company's share capital was reconstructed via a share split in the ratio of 8.946 shares received for every 1 ordinary share held

[2] On 7 October 2021, 500,000 shares were issued to the Company's corporate advisers at a nominal $0.001 per share. These shares were valued at $0.10 per share based on the pre-IPO seed share price of $0.10 per share

[3] Between 8 October 2021 and 29 November 2021, 7,500,000 shares were issued at $0.10 per share, via a seed capital raise.

[4] On 15 October 2021, 2,500,000 shares were issued to management and employees of the Company (or their respective nominees) at a nominal $0.001 per share, pursuant to the Business Sale Agreement (BSA). The number of shares issued was based on the IPO share price of $0.20 per share and agreed total value of shares to be issued of $500,000 per the BSA.

[5] On 3 March 2022, pursuant to a loan agreement with The Rain Maker MGMT Sdn Bhd executed in June 2020, a loan totalling $300,000 was converted into 1,500,000 ordinary shares at $0.20 per share.

[6] On 3 March 2022, 25,129,000 fully paid ordinary shares were issued pursuant to the Public Offer.

[7] Concurrently with the Public Offer, 500,000 fully paid ordinary shares were issued to the Lead Manager, RM Corporate Finance Pty Ltd (and their respective associates), pursuant to the Lead Manager Offer.

Note 18. Issued Capital (continued)

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There is no current on-market share buy-back.

Capital risk management
The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company would look to raise capital when an opportunity to invest in a business or Company was seen as value adding relative to the current Company's share price at the time of the investment. The Company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

There have been no events of default on the financing arrangements during the financial year.

Note 19: Reserves

	30 June 2022 $	**30 June 2021 $**
Share based payment reserve	208,615	-

The share-based payment reserve arises from share options issued to the IPO Lead Manager under the terms and conditions set out in their mandate letter.

Movement during the year	**No. of Options**	**$**
Balance as at 30 June 2020 and 30 June 2021	**-**	**-**
Issue of options (refer to Note 20)	2,500,000	208,615
Balance as at 30 June 2022	**2,500,000**	**208,615**

Note 20: Share Based Payment

Share based payments during the year comprises the following:

	30 June 2022 $	30 June 2021 $
Options issued to Lead Manager – reported as share issue costs [1]	-	-
Shares issued to Lead Manager – reported as share issue costs [2]	-	-
Shares issued to corporate advisers [3]	50,000	-
Shares issued to management and employees [4]	500,000	-
Total share based payment expense	**550,000**	**-**

[1] On 3 March 2022, 2,500,000 unlisted options exercisable at $0.30 expiring on 30 June 2025 were issued to the Lead Manager (or its nominees) as part consideration for provision of capital raising and joint bookrunner services provided to the Company. The options vested at the date the services provided were completed, being the date Initial Public Offer (IPO) was completed.

The fair value of the options issued was estimated at the date of grant using the Black-Scholes option pricing model below:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
3/12/2021	30/6/2025	$0.20	$0.30	80%	-	0.69%	$0.08345

Set out below are the options exercisable at the end of the financial year:

Grant Date	Expiry Date	30 June 2022 No. of Options	30 June 2021 No. of Options
3/12/2021	30/6/2025	2,500,000	-

[2] On 3 March 2022, 500,000 fully paid ordinary shares were issued to the Lead Manager, RM Corporate Finance Pty Ltd (and their respective associates), pursuant to the Lead Manager Offer (refer to Note 18).

[3] On 7 October 2021, 500,000 shares were issued to the Company's corporate advisers at a nominal $0.001 per share. These shares were valued at $0.10 per share based on the pre-IPO seed share price of $0.10 per share (refer to Note 18).

[4] On 15 October 2021, 2,500,000 shares were issued to management and employees of the Company (or their respective nominees) at a nominal $0.001 per share, pursuant to the Business Sale Agreement (BSA). The number of shares issued was based on the IPO share price of $0.20 per share and agreed total value of shares to be issued of $500,000 per the BSA (and conditional on the Company obtaining an ASX listing, which occurred on 9 March 2022) (refer to Note 18).

Note 21. Loss per Share

The following reflects the loss and data used in the calculations of basic and diluted loss per share:

	30 Jun 2022 No. of Shares	30 Jun 2021 No. of Shares
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	58,607,558	42,495,000 *
	$	$
Loss for the year used in calculating operating basic and diluted loss per share	(5,200,734)	(500,339)
Basic and diluted loss per share (cents)	(8.87)	(1.18)

* Restated for share split in the current year to facilitate comparison

As the Group incurred a loss for the year, the options on issue have an anti-dilutive effect, therefore the diluted EPS is equal to the basic EPS. A total of 2,500,000 share options (30 June 2021: Nil) which could potentially dilute EPS in the future have been excluded from the diluted EPS calculation because they are anti-dilutive for the current year presented.

Note 22. Auditors' Remuneration

	30 June 2022 $	30 June 2022 $
Audit services – Grant Thornton Audit Pty Ltd		
Audit of the financial statements (year ended 30 June 2022)	50,000	-
Review of the financial statements (period ended 31 December 2021)	20,000	-
Audit of the financial statements (year ended 30 June 2021)	-	46,789
	70,000	46,789
Other services – Grant Thornton Corporate Finance Pty Ltd		
Independent Accountant's Report	40,000	-
Total auditor's remuneration	**110,000**	**46,789**

Note 23. Related Parties

Key Management Personnel

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below

	30 June 2022 $	30 June 2021 $
Short term employee benefits	941,145	768,018
Post-employment benefits	83,862	71,194
Share based payment benefits	-	-
	1,025,007	**839,212**

Note 22. Related Parties (continued)

There were no other transactions conducted between the Company and Key Management Personnel or their related parties, apart from those disclosed above, 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.

Note 24. Segment Reporting

The Group has identified its operating segments based on the internal reports that are used by the Board in assessing performance and in determining the allocation of resources. Given the Company's operations since incorporation, the Board has identified two relevant business segments based on the Group's key revenue streams – Processing/Wholesale and Retail. The following tables are an analysis of the Group's revenue and results by reportable segment for the years ended 30 June 2022 and 30 June 2021.

	Processing / Wholesale	Retail	Consolidated
Profit and Loss	**$**	**$**	**$**
30-Jun-22			
Revenue from customers	11,477,425	2,924,194	**14,401,619**
Gross revenue	**11,477,425**	**2,924,194**	**14,401,619**
Other income	14,750	-	**14,750**
Total revenue	**11,492,175**	**2,924,194**	**14,416,369**
Loss for the year ended 30 June 2022	**(5,064,706)**	**(136,018)**	**(5,200,724)**
30-Jun-21			
Revenue from customers	13,961,448	3,029,395	**16,990,843**
Gross revenue	**13,961,448**	**3,029,395**	**16,990,843**
Other income	65,783	-	**65,783**
Total revenue	**14,027,231**	**3,029,395**	**17,056,626**
Loss for the year ended 30 June 2021	**(403,319)**	**(97,020)**	**(500,339)**

	Processing / Wholesale	Retail	Consolidated
Financial Position	**$**	**$**	**$**
30-Jun-22			
Current assets	5,509,447	80,078	**5,589,525**
Non-current assets	1,377,640	287,399	**1,665,039**
Total assets	**6,887,087**	**367,477**	**7,254,564**
Total liabilities	**2,935,411**	**143,398**	**3,078,809**
30-Jun-21			
Current assets	1,836,167	117,821	**1,953,988**
Non-current assets	4,027,605	603,485	**4,631,090**
Total assets	**5,863,772**	**721,306**	**6,585,078**
Total liabilities	**3,009,555**	**421,742**	**3,431,297**

Note 25. Financial assets and liabilities

Categories of financial assets and liabilities

Note 1 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Amortised cost $	FVTPL $	Total $
30 June 2022			
Cash and cash equivalents	3,122,348	-	3,122,348
Trade and other receivables	372,398	-	372,398
Total financial assets	**3,494,746**	**-**	**3,494,746**
30 June 2021			
Cash and cash equivalents	236,490	-	236,490
Trade and other receivables	582,341	-	582,341
Total financial assets	**818,831**	**-**	**818,831**

	Other liabilities amortised cost $	Other liabilities FVTPL $	Total $
30 June 2022			
Trade and other payables	1,573,164	-	1,573,164
Lease liabilities	512,458	-	512,458
Total financial liabilities	**2,085,622**	**-**	**2,085,622**
30 June 2021			
Trade and other payables	1,347,297	-	1,347,297
Lease liabilities	1,076,349	-	1,076,349
Unsecured borrowings	300,000	-	300,000
Total financial liabilities	**2,723,646**	**-**	**2,723,646**

A description of the Group’s financial instrument risks, including risk management objectives and policies is given in Note 26.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 26.

Note 25. Financial assets and liabilities (continued)

Borrowings

Borrowings include the following financial liabilities:

	Current $	Non-Current $
30 June 2022		
Lease liability	403,891	108,567

	Current $	Non-Current $
30 June 2021		
Lease liability	609,797	466,553
Unsecured borrowings	-	300,000
Total Borrowings	**609,797**	**766,553**

Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- cash and cash equivalents
- trade and other receivables
- trade and other payables.

Note 26. Financial Instruments

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 25. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to ~~currency risk,~~ interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

All of the Group's transactions are carried out in Australian Dollars (AUD). No foreign currency sensitivity has been identified.

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates or interest-free.

At 30 June 2022 and 30 June 2021, the Group was not exposed to changes in market interest rates. The Group did not hold borrowings at variable interest rates or money market funds. Borrowings were at fixed interest rates or were interest-free

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	30 June 2022 $	30 June 2021 $
Carrying amounts:		
Cash and cash equivalents	3,122,348	236,490
Trade and other receivables	372,398	582,341
	3,494,746	**818,831**

Credit risk management

The credit risk is managed on a Group basis based on the Group's credit risk management policies and procedures.

Note 26. Financial Instruments (continued)

Cash and cash equivalents
The Group's cash and cash equivalents are held with major reputable financial institutions.

Trade receivables and contract assets
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and contract with customer. The demographics of the Group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk. Geographically, the concentration of credit risk is within Australia and, by industry, the concentration is within the seafood / fishing wholesale and supermarket retail industries.

The Group continuously monitors defaults of customers and other counterparties, identified either by individual or Group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer. The Group does not require collateral in respect of trade receivables. The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

Impairment losses
The ageing of the Group's trade and other receivables and contract assets at the reporting date was:

	Gross 2022 $	Allowances for impairment 2022 $
Trade receivables:		
Not past due	333,979	-
Not more than three months	38,419	-
More than three months but not more than six months	-	-
More than six months but not more than one year	-	-
	372,398	**-**

The Group continues to strongly pursue all debts regardless of aging. The Group has established an allowance for impairment that represents their expected credit losses in respect of trade receivables and contract assets.

The Group recognises a provision for impairment related to expected credit losses ("ECLs") for trade receivables, contract assets and other debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Note 26. Financial Instruments (continued)

Impairment losses (continued)
For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix to calculate the ECLs. The provision matrix is established based on the Group's historically observed default rates. The Group calibrates the matrix to adjust historical credit loss experience with forward looking factors specific to debtors and the economic environment where appropriate. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. To date, the Group has not observed or expects to see material decline in its customers' abilities to pay as a result of the Coronavirus pandemic due in part to the nature of those customers, which mainly includes large private sector corporations and government organisations, meaning the risk of default of receivables is low. Accordingly, no additional expected credit loss allowance pertaining to the Coronavirus pandemic have been included.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasts in economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Liquidity risk analysis
Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-to-360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Note 8) significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within three months.

Note 26. Financial Instruments (continued)

Liquidity risk analysis (continued)

As at 30 June 2022, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below

	Current			Non-current
	Within 6 months	**6 - 12 months**	**1 – 5 years**	**5 + years**
	$	**$**	**$**	**$**
30 June 2022				
Trade and other payables	1,573,164	-	-	-
Lease liabilities	247,804	167,031	110,226	-
Total	**1,820,968**	**167,031**	**110,226**	**-**

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Note 27. Reconciliation of cash flow from operations with net loss for the year

	30 Jun 2022	**30 June 2021**
	$	**$**
Loss after income tax for the year	(5,200,724)	(500,339)
Adjustments		
Depreciation and amortisation	783,446	765,868
Impairment expense	2,647,195	-
Share based payments	550,000	-
Loss on sale of property, plant and equipment	11,959	-
Movements in Assets/Liabilities		
Decrease / (Increase) in trade and other receivables	209,943	(122,770)
(Increase) in inventories	(767,237)	(398,738)
(Increase / Decrease in other current assets	(192,385)	26,291
Increase in trade and other payables	170,887	402,181
Increase in provisions	340,516	31,943
Cash flows (used in) / from operations	**(1,446,400)**	**204,436**

Note 28. Contingent Assets and Liabilities

The Group has no contingent assets or contingent liabilities at 30 June 2022 (30 June 2021: none)

Note 29. Commitments

The Group has capital commitments of $426,365 at 30 June 2022 (30 June 2021: $29,839).

The Group had commitments under short term or low value leases of $2,697 at 30 June 2022 (30 June 2021: $13,227).

There were no other commitments noted as at 30 June 2022.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 1. Details of the parent's subsidiaries at the end of the reporting period are as follows:

Name	Principal place of business / Country of incorporation	2022 %	2021 %
Catalano Seafood Sdn Bhd	Malaysia	100%	100%

Note 31. Parent Entity Disclosures

	Company 30 Jun 2022	Company 30 Jun 2021
Financial Position	$	$
Total current assets	5,589,525	1,953,988
Total non-current assets	1,665,039	4,631,090
Total assets	**7,254,564**	**6,585,078**
Total current liabilities	2,925,917	2,644,926
Total non-current liabilities	152,892	786,371
Total liabilities	**3,078,809**	**3,431,297**
Net assets	**4,175,755**	**3,153,781**
Issued capital	10,764,084	4,750,001
Share based payment reserve	208,615	-
Accumulated losses	(6,796,944)	(1,596,220)
Total equity	**4,175,755**	**3,153,781**
Financial Performance		
Loss for the year	(5,200,724)	(500,339)
Other comprehensive income	-	-
Total comprehensive loss	**(5,200,724)**	**(500,339)**

The Parent Entity has no capital or other commitments and has not entered into a deed of cross guarantee nor are there any contingent liabilities at the year end.

Note 32. Events Subsequent to Reporting Period

On 8 July 2022, Miss May May (Danielle) Tan resigned as a director of the Company and Mr Mark Leong was appointed as a Non-Executive Director.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Catalano Seafood Limited
Directors' Declaration
For the year ended 30 June 2022

In accordance with a resolution of the directors of Catalano Seafood Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of Catalano Seafood Limited for the financial year ended 30 June 2022 are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and;

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the board

Nicolino (Nick) Catalano
Executive Chairman, CEO
30 September 2022

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Independent Auditor's Report

To the Members of Catalano Seafood Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Catalano Seafood Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

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

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of $5,200,724 during the year ended 30 June 2022, and as of that date, the Group's operating cash outflows totalled $1,446,400. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition– refer Note 2	
The Group recognised $14.4 million in revenue from contracts with customers for the period ended 30 June 2022 in accordance with AASB 15 "*Revenue from Contracts with Customers*". The Group recognises revenue from the sale of seafood product and seafood processing services. Revenue is recognised at a point in time when products are transferred or services are delivered to the customer. Revenue recognition is a key audit matter due to the large number of transactions and material amounts involved and nature of the Group's contractual arrangements in applying revenue recognition.	Our procedures included, amongst others: • Understanding and documenting the design of internal controls for the Group's revenue streams; • Understanding the Group's contractual arrangements with customers, focusing on the identification of performance obligations for product sales and processing; • Testing on a sample basis revenue transactions to supporting documentation; and • Assessing the adequacy of Group's presentation and disclosures in the financial statements under AASB 15.
Intangible Assets – Note 13	

As disclosed in Note 13, the Group carries goodwill of $nil at 30 June 2022. The Group reported an impairment expense totalling $2.6 million relating to the Processing cash-generating unit (CGU). Goodwill is required to be assessed for impairment annually by management as prescribed in AASB 136 *Impairment of Assets*.
 	
Management performs annual impairment testing per AASB 136 to ensure the CGUs' recoverable amount is greater than its carrying value, utilising either the greater of fair value less costs to sell or its value in use.
 	
The Group uses the discounted cash flow model for the value-in-use approach to determine the recoverable amount. In doing so, management considers the following key inputs;
• forecasted budgeted financial performance;
• estimated growth rates;
• working capital adjustments;
• estimated capital expenditure;
• discount rate; and
• terminal value.
 	
This area is a key audit matter due to the significant opening balance carried by the Group that
	Our procedures included, amongst others:
	• Understanding and documenting management's process and controls related to the assessment of impairment, including management's identification of CGUs and the calculation of the recoverable amount for the CGU;
	• Evaluating the value-in-use models against the requirements of AASB 136, including consultation with our auditor's valuation expert;
	• Challenging the appropriateness of management's revenue and cost forecasts by comparing the forecasted cash flows to actual growth rates achieved historically;
	• Reviewing management's value-in-use calculations by:
	  o Testing the mathematical accuracy of the calculations;
	  o Assessing the value in use model for compliance with AASB 136.
	  o Evaluating the forecast cash inflows and outflows to be derived by the CGUs assets for reasonableness;
	  o Comparing estimates and judgements for growth rates to available market and industry data;

management has assessed using estimates and judgement.

- Assessing the discount rates applied to forecast future cash flows for reasonableness with assistance from internal valuation specialists;
- Performing sensitivity analysis on the significant inputs and assumptions made by management in preparing its calculation; and

- Assessing the adequacy of financial report disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 12 to 20 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Catalano Seafood Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 30 September 2022

Catalano Seafood Limited
ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issued capital of the Company at 27 September 2022 is 80,124,000 ordinary fully paid shares.

Shares Range	No. of Holders	No. of Shares
1 - 1,000	6	2,039
1,001 - 5,000	30	106,825
5,001 - 10,000	138	1,340,637
10,001 - 100,000	199	6,820,866
100,001 Over	52	71,853,633
	425	**80,124,000**

28 shareholders holding less than a marketable parcel

Shareholders by Location	No. of Holders	No. of Shares
Australian holders	404	23,873,814
Overseas holders	20	56,250,186
	424	**80,124,000**

Top 20 Shareholders of Quoted Shares as at 27 September 2022

		No. of Shares Held	% Held
1	WINDSOR INVESTMENTS PTE LTD	11,473,648	14.32
2	MICHAEL MARCUS LIEW	10,623,748	13.26
3	EUGENE PONG SIN TEE	8,498,998	10.61
4	MS IRENE NG AI CHEN	4,940,000	6.17
5	CHAI YUK LIW	4,249,499	5.30
6	MR MICHAEL MARCUS LIEW	3,525,000	4.40
7	THE RAIN MAKER MGMT PTE LTD	3,399,599	4.24
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,500,000	3.12
9	MS YEE WEN WONG	2,278,000	2.84
10	KOON POH LOW	1,744,531	2.18
11	VINTRY ASSETS SDN SHD	1,630,000	2.03
12	MURRAY ROVER PTY LTD <MURRAY ROVER A/C>	1,250,000	1.56
13	NICOLINO CATALANO	1,175,009	1.47
14	YOKE KUAN CHEE	1,073,558	1.34
14	WEI TING YU	1,073,558	1.34
16	THE RAIN MAKER MGMT PTE LTD	989,745	1.24
17	AMBER MANAGEMENT PTY LTD <INTAX NO 2 SUPER FUND A/C>	950,000	1.19
18	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	900,500	1.12
19	CITICORP NOMINEES PTY LIMITED	685,000	0.85
20	PAOLINO CATALANO + ORNELLA SAPIENZA CATALANO <P & O CATALANO SF A/C>	625,000	0.78
	TOTAL	**63,585,393**	**79.36**

Substantial Shareholders as at 27 September 2022

	No. of Shares Held	% Held
MICHAEL MARCUS LIEW	14,148,748	17.66%
WINDSOR INVESTMENTS PTE LTD	12,148,648	15.16%
EUGENE PONG SIN TEE	8,498,998	10.61%
CHAI YUK LIW	5,879,499	7.34%
MS IRENE NG AI CHEN	4,940,000	6.17

Voting Rights

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

OPTION HOLDINGS

Class	Terms	No. of Options
A	Exercisable at $0.30 each, expiring 30 June 2025	2,500,000

Options Range	Unlisted Options	
	No. of Holders	No. of Options
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	2	20,000
10,001 – 100,000	3	280,000
100,001 and over	3	2,200,000
	8	**2,500,000**

The following option holders holds more than 20% of the single class of the Company's Unlisted Options (Class A).

Holder	No. of options	%
AUSPAC FINANCIAL ADVISORY PTY LTD	1,700,000	68.00%

RESTRICTED SECURITIES

The Company's restricted securities (including voluntary restricted securities) are listed below:

Restricted Securities
45,895,000 ordinary fully paid shares, restricted until 11 March 2024
1,750,000 ordinary fully paid shares, restricted until 8 October 2022
250,000 ordinary fully paid shares, restricted until 22 October 2022
510,000 ordinary fully paid shares, restricted until 3 November 2022
815,000 ordinary fully paid shares, restricted until 29 November 2022
2,500,000 options exercisable at $0.30 each, expiring 30 June 2025 – restricted until 11 March 2024

USE OF PROCEEDS

In accordance with listing rule 4.10.19, the Company confirms that it has used its cash and assets in a form readily convertible to cash in a way consistent with its business objectives at the time of admission.

CORPORATE GOVERNANCE

The Company's corporate governance statement is found on the Company's website at
CORPORATE GOVERNANCE – Catalano's Seafood (catalanos.net.au)