Bhagwan Marine Pty Ltd

ABN 81 009 154 349

Annual Report

30 June 2021

The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'the group') consisting of Bhagwan Marine Pty Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors
The following persons were directors of Bhagwan Marine Pty Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Anthony Wooles – Chairman
Lauri Kannikoski – Managing Director
Kerren Kannikoski – alternate director
Simon Dighton – alternate director

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of operating a diverse range of vessels servicing the oil and gas, resources, port services, towage, construction and sub-sea industries.

Dividends
No dividends were paid during the year ended 30 June 2021 (2020: nil)

Review of operations
During the financial year ended 30 June 2021, the consolidated entity has continued to focus on the inshore marine sector in Australia. Revenues were generated from sectors including mining, oil and gas, port operations, civil construction, and infrastructure maintenance.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Impact of COVID-19 on the financial statements
While the COVID-19 outbreak developed rapidly throughout 2020, Bhagwan established several measures to monitor and limit the effects of the pandemic on business operations. Health and Safety measures for staff was of the utmost importance with the immediate establishment of the COVID 19 Management team. A documented COVID-19 plan has been implemented with daily management meetings and regular updates communicated to members of staff.

The impact on the business has been limited, the group's activities and results were somewhat affected in the last quarter of FY20, due to the following reasons beyond Bhagwan's control:

- Border closures and quarantine restrictions affected the movement of vessels, and in particular the availability of crew members;
- Additional cost of crew members due to travel restrictions between regions and quarantine guidelines;
- Delays in the execution of projects due to rescheduling of previously planned jobs.

Whilst COVID-19 has continued to impact the group for FY21, Bhagwan has successfully managed its business operations whilst limiting disruptions, ensuring job security and obtaining long term project works.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2021 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
The consolidated entity operates in compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL) under Commonwealth legislation through the Australian Maritime Safety Authority (AMSA) Marine Order Regulations. State operated vessels comply with National Law Marine Orders.

The consolidated entity has regulatory reporting obligations to the Clean Energy Regulator under the National Greenhouse and Energy Reporting Act 2007.

Shares under option
There were no unissued ordinary shares of Bhagwan Marine Pty Ltd under option at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Bhagwan Marine Pty Ltd issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of directors and officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on 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.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Anthony Wooles
Chairman

30 November 2021
Perth, WA

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Bhagwan Marine Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Bhagwan Marine Pty Ltd for the financial year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

KPMG

KPMG

Matthew Hingeley

Partner

Perth, WA

30 November 2021

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Bhagwan Marine Pty Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 Restated* $'000
Continuing operations			
Revenue from contracts with customers	6	97,644	101,947
Other income	7	173	4,207
Expenses			
Raw materials and consumables used		(5,658)	(4,447)
Vessel expenses		(21,468)	(26,052)
Employee benefits expense		(43,317)	(46,791)
Depreciation and amortisation expense	8	(19,032)	(19,084)
Impairment of assets	8	(1,157)	(2,977)
Occupancy expenses		(785)	(995)
Other expenses		(6,224)	(6,066)
Finance costs	8	(4,720)	(7,374)
Loss before income tax benefit		**(4,544)**	**(7,632)**
Income tax benefit	9	-	-
Loss from continuing operations		**(4,544)**	**(7,632)**
Loss from discontinued operations		-	(6,952)
Recognition of loss arising from change in control of subsidiary		(15,187)	-
Loss for the period attributable to the owners of Bhagwan Marine Pty Ltd		**(19,731)**	**(14,584)**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation		1,033	244
Items that will not be reclassified to profit or loss			
Revaluation of vessels		43,350	-
Other comprehensive income/(loss) for the year, net of tax		**24,652**	**(14,340)**
Total comprehensive income/(loss) for the year attributable to the owners of Bhagwan Marine Pty Ltd		**24,652**	**(14,340)**

*Refer to note 33 for details of the restatement

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

Bhagwan Marine Pty Ltd
Consolidated statement of financial position
For the year ended 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 Restated* $'000
Assets			
Current assets			
Cash and cash equivalents	10	332	945
Trade and other receivables	11	17,697	13,078
Inventories		2,288	1,693
Other current assets	12	434	630
Assets held for sale	13	3,333	4,102
Assets included in disposal group classified as held for sale	14	-	49,714
Total current assets		**24,084**	**70,162**
Non-current assets			
Other investments		1,455	40
Property, plant and equipment	15	120,292	84,544
Right-of-use assets	16	18,860	27,608
Intangibles	17	320	62
Total non-current assets		**140,927**	**112,254**
Total assets		**165,011**	**182,416**
Liabilities			
Current liabilities			
Trade and other payables	18	15,316	11,357
Borrowings	19	23,456	28,817
Lease liabilities	16	7,931	5,728
Employee benefits	20	2,570	2,503
		49,273	48,405
Liabilities included in disposal group classified as held for sale	14	-	35,360
Total current liabilities		**49,273**	**83,765**
Non-current liabilities			
Borrowings	21	67,503	63,675
Lease liabilities	16	7,834	18,784
Employee benefits	22	327	770
Total non-current liabilities		**75,664**	**83,229**
Total liabilities		**124,937**	**166,994**
Net assets		**40,074**	**15,422**
Equity			
Issued capital	23	65,910	65,910
Reserves	24	43,272	(1,111)
Accumulated losses		(69,108)	(49,377)
Total equity		**40,074**	**15,422**

*Refer to note 33 for details of the restatement

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

Consolidated	**Issued capital**	**Reserves**	**Accumulated losses**	**Total equity**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2019	65,910	(1,355)	(34,793)	29,762
Loss after income tax benefit for the year (restated)*	-	-	(14,584)	(14,584)
Other comprehensive income for the year, net of tax	-	244	-	244
Total comprehensive income for the year	-	244	(14,584)	(14,340)
Balance at 30 June 2020 (restated)*	65,910	(1,111)	(49,377)	15,422

Consolidated	**Issued capital**	**Reserves**	**Accumulated losses**	**Total equity**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2020 (restated)*	65,910	(1,111)	(49,377)	15,422
Loss after income tax benefit for the year	-	1,033	(19,731)	(18,698)
Revaluation of vessels	-	43,350	-	43,350
Total comprehensive income for the year	-	44,383	(19,731)	24,652
Balance at 30 June 2021	65,910	43,272	(69,108)	40,074

*Refer to note 33 for details of the restatement

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

BHAGWAN marine

	Note	Consolidated 2021 $'000	Consolidated 2020 Restated* $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		103,871	117,301
Payments to suppliers and employees (inclusive of GST)		(85,987)	(102,516)
Interest and other finance costs paid		(3,947)	(6,149)
Net cash from continuing operations	32	13,937	8,636
Net cash from discontinued operations		-	2,400
Net cash from operating activities		**13,937**	**11,036**
Cash flows from investing activities			
Payments for property, plant and equipment		(9,548)	(6,372)
Proceeds from disposal of property, plant and equipment		4,404	12,717
Net cash (used in)/from investing activities		**(5,144)**	**6,345**
Cash flows from financing activities			
Transfer from borrowings to cash and cash equivalents		-	2,800
Proceeds from borrowings		-	935
Repayment of borrowings		(7,316)	(11,562)
Movement in bank facilities		4,337	(3,507)
Principal element of lease payments		(6,427)	(5,436)
Net cash used in financing activities		**(9,406)**	**(16,770)**
Net (decrease)/increase in cash and cash equivalents		**(613)**	**611**
Cash and cash equivalents at the beginning of the financial year		**945**	**243**
Cash and cash equivalents at the end of the financial year		**332**	**854**
Cash and cash equivalents included in disposal group		-	(91)
Cash and cash equivalents for continuing operations	10	**332**	945
Cash and cash equivalents at the end of the financial year		**332**	**854**

*Refer to note 33 for details of the restatement

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

Note 1. Reporting entity

Bhagwan Marine Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3, 251 St Georges Terrace
Perth, Western Australia 6000

The consolidated financial statements comprise of Bhagwan Marine Pty Ltd and the entities it controlled at the end of, or during, the year.

The Group is a for-profit entity and a description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Note 2. Basis of preparation

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with *Australian Accounting Standards – Simplified Disclosures* made by the Australian Accounting Standards Board and the *Corporations Act 2001*.

These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the consolidated financial statements were special purpose financial statements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit or loss and other comprehensive income and cash flows of the Group as a result of the change in the basis of preparation.

These consolidated financial statements were authorised for issue by the Company's board of directors on 30 November 2021.

Details of the Group's accounting policies are included in Note 4.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2021, the group incurred a loss of $4,544,000, had net assets of $40,074,000 at 30 June 2021 and produced net cash from operating activities of $13,937,000. Further, the group has current liabilities of $49,273,000 at 30 June 2021 and current assets of $24,084,000 resulting in a deficiency in net assets of $25,189,000. Included in current liabilities are bank overdrafts and loans totaling $23,456,000.

The ability of the Group to continue to operate is dependent on it generating adequate cashflows from operations, and from obtaining additional funding if required, and maintaining compliance with the terms of its loan agreements including loan covenants. Additionally, the bank overdraft and loan facilities classified as current liabilities expire within 12 months from the date of this financial report and will need to be extended or refinanced, as will the Term Debt Facility which has a termination date of 30 September 2023.

The Group has prepared a cash flow forecast for a 12-month period from the date of these financial statements. The cash flow forecast is sensitive to revenue from both contracted and new business. Based on the current forecast, the directors are confident that the Group will generate positive cash flows from operations and will maintain compliance with bank covenants, and further that it will be able to extend the terms of its loans and financing facilities.

Accordingly, the directors believe that, at the date of approving the financial statements, there are reasonable grounds to believe that the Group will have sufficient funds to meet its obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

Note 3. Functional and presentation currency and rounding

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The Group is a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded to the nearest thousand, unless otherwise indicated.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for contingent consideration and derivative financial instruments which are measured at fair value.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

Note 4. Significant accounting policies

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bhagwan Marine Pty Ltd ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Bhagwan Marine Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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 consolidated entity 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 consolidated entity 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.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Bhagwan Marine Pty Ltd.'s functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue from contracts with customers
Revenue from contracts with customers is recognised over time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Rendering of services
Rendering of services revenue from vessel charters may include mobilisation and demobilisation. Revenue is recognised over time by reference to the stage of completion of the contracts and on completion of performance obligations. Income received in advance is deferred until the service is rendered.

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

Income tax
The income tax expense or benefit for the period is the tax payable on that period'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.

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, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

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.

Bhagwan Marine Pty Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'group allocation' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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 consolidated entity'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 consolidated entity'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 include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position unless the overdraft account is used for financing.

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 provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Inventory of fuel is stated at cost on a 'first in first out' basis. Cost comprises of direct cost of fuel and delivery costs, duties and other taxes. Costs are determined after deducting rebates and discounts received or receivable.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a lone of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The Group applies the AASB 9 'Financial Instruments' simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets. To measure the expected credit losses, receivables are reviewed on an individual contract basis. The expected loss rates are based on historical evidence of collection. The historical loss rates are adjusted to reflect current and future information such as estimated future cash flows or by using fair value where this is available through observable market prices and review of macroeconomic factors which may affect the counterparty's ability to settle the receivables. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the original impairment was recognised, the impairment reversal is recognised in the income statement on a basis consistent with the original charge.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Vessels are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure the carrying amount of a revalued vessel does not differ materially from its fair value.

Vessels – survey and refits
In a vessels life time it will undergo general maintenance due to operations, be inspected to satisfy the requirements of licensing, and go through restoration to extend the useful life of the vessel.
- When each major survey is performed the costs are recognised in the carrying amount of the vessel as a component. Any remaining carrying amount of the cost of the previous inspection is derecognised.
- When a vessel has a scheduled refit, the work performed extends the useful life of the vessel therefore all

costs in relation to the refit are capitalised.

Vessels - leasehold vessels
Capital costs in relation to vessels that are leased rather than owned are capitalised and depreciated over the life of the lease.

Depreciation is calculated on a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives. The depreciation rates used are as follows:

Buildings	2.5%
Leasehold land (over period of lease)	4%-10%
Leasehold vessels (over period of lease)	20%-100%
Plant and equipment	20%-66%
Vessels	4%
Vessel refits	40%
Vessel survey	20%-100%

Increases in the carrying amounts arising on the revaluation of vessels are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

In the case of right-of-use assets, expected useful lives are determined by the lease term. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
The Group as a lessee
The Group makes use of leasing arrangements principally for the provision of office space and related facilities and vessels. The rental contracts for properties are typically negotiated for terms of between 2 and 20 years and some of these have extension terms. Lease terms for vessels are between 1 and 5 years and some of these have extension terms.

The group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implied in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with a similar security to obtain an asset of equivalent value.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Change in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to the lease term is discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

The Group has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor
As a lessor the Group classifies its leases either as operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

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.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

ERP system
Significant costs associated with development of ERP system are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Non-market operating lease
Non-market operating lease contracts acquired in a business combination are amortised on a straight line basis over their lease life of three years.

Impairment of non-financial assets
Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity 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.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity 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.

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 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 long term employee benefits is measured as 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.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-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.

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 consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions 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.

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

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

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

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

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.

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.

External valuers are engaged for valuation of significant assets, such as vessels and unquoted financial assets, and significant liabilities, such as contingent consideration.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, unless otherwise stated.

Comparative Figures
Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

New Accounting Standards and Interpretations not yet mandatory or early adopted
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2020. Other than the early adoption of AASB 1060 to comply with *Australian Accounting Standards – Simplified Disclosures* and AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities,* the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 2018-6 *Amendments to Australian Accounting standards – Definition of a Business*

The amendment to AASB 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting and AASB 2019-1 *Amendments to Australian Accounting Standards – References to Conceptual Framework*
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*
These amendments had no impact on the consolidated financial statements of the Group.

AASB 2020-4 *Amendments Australian Accounting Standards – Covid-19 Related Rent Concessions* and AASB 2020-7 *Amendments to Australian Accounting standards – Covid-19 Related Rent Concessions: Tier 2 Disclosures*
These amendments had no impact on the consolidated financial statements of the Group.

Note 5. 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.

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not exercise the option to renew. The Group included the renewal period as part of the lease term. The Group typically exercises its option to renew.

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

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity 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 consolidated entity 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.

Goodwill
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Assets held for sale
The consolidated entity assessed the fair value of the assets held for sale based on the current market conditions. The calculations require the use of assumptions including fair value less costs of disposal. Significant judgement is required in determining the fair value given the vessels were purpose-built vessels.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity'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.

Note 6. Revenue

	Consolidated	
	2021	**2020**
	$'000	**$'000**
Sales revenue		
Rendering of Services	97,640	101,921
Other revenue		
Interest	4	26
Total	**97,644**	**101,947**

Note 7. Other income

	Consolidated 2021 $'000	2020 $'000
Other income	236	35
Insurance proceeds	22	382
(Losses)/gains on sale of property, plant and equipment - net	(85)	3,790
Total	**173**	**4,207**

Note 8. Expenses

	Consolidated 2021 $'000	2020 Restated* $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold buildings	227	229
Plant and equipment	886	1,052
Vessels and vessel refits	10,679	11,220
Right-of-use assets	7,179	6,354
Total depreciation	**18,971**	**18,855**
Amortisation		
ERP system	61	229
Total amortisation	61	229
Total depreciation and amortisation	**19,032**	**19,084**
Impairment of assets		
Receivables – bad debts recovered	-	(169)
Assets held for sale	-	366
Other investments	285	-
Vessels and vessel refits	872	2,780
Total impairment of assets	**1,157**	**2,977**
Finance costs		
Interest and finance charges paid/payable	3,546	6,714
Interest on lease of ROU assets	1,188	636
Net foreign exchange (gain)/loss	(14)	24
Finance costs expensed	**4,720**	**7,374**
Rental expense relating to operating leases		
Rental expenses included in vessel/occupancy expenses	1,028	2,225
Superannuation expense		
Defined contribution superannuation expense	3,817	4,001

Note 9. Income tax benefit

	Consolidated 2021 $'000	2020 Restated* $'000
Income tax benefit		
Current tax expense	-	-
Deferred tax – origination and reversal of temporary differences	-	-
Adjustment recognised for prior periods	-	-
Aggregate income tax benefit	-	-
Numerical reconciliation of income tax benefit and statutory rate		
Loss before income tax benefit	(4,544)	(14,584)
Tax at the statutory tax rate of 30%	(1,363)	(4,375)
Tax effect amounts which are not deductible/taxable in calculating taxable income:		
Entertainment expenses	18	18
Other	(76)	450
	(58)	468
Difference in overseas tax rates	-	765
Tax rate adjustment	-	256
Adjustment on deferred tax balances not recognised	1,421	2,368
Tax expense from discontinued operations	-	718
Income tax benefit	-	-

	Consolidated 2021 $'000	2020 Restated* $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	66,486	60,882
Potential tax benefit at statutory tax rates	19,946	18,265

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated 2021 $'000	2020 Restated* $'000
Deferred tax assets not recognised		
Impairment of receivables	148	51
Accrued expenses	1,070	1,290
Property, plant and equipment	(8,912)	380
Prepaid expenses	(99)	(102)
Intangibles	-	(19)
Other items	(506)	(302)
Total deferred tax assets not recognised	(8,299)	290

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 10. Current assets - cash and cash equivalents

	Consolidated 2021 $'000	2020 $'000
Cash at bank and on hand	332	945

Note 11. Current assets – trade and other receivables

	Consolidated 2021 $'000	2020 $'000
Trade receivables	13,188	9,811
Less: Allowance for expected credit losses	(494)	(171)
	12,694	**9,640**
Accrued revenue	4,749	1,373
Insurance receivables	54	1,752
Receivables from related parties	200	313
	17,697	**13,078**

Note 12. Current assets – other

	Consolidated 2021 $'000	2020 $'000
Prepayments	284	479
Security deposits	150	151
	434	**630**

Note 13. Current assets – assets held for sale

	Consolidated 2021 $'000	2020 $'000
Assets held for sale	3,333	4,102

Note 14. Assets and disposal groups classified as held for sale and discontinued operations

On 2 July 2020, the parent entity, Bhagwan Marine Pty Ltd, assigned 90.01% of the shareholding in its 100% controlled subsidiary, Marine & Towage Services Group Limited to Cable Capital Partners Limited.

As at the 30 June 2019, Bhagwan Marine Pty Ltd, believed there to be an indication of impairment of $27.4m in its investment in Marine & Towage Services Group Limited which was reflected in the parent company financial statements accordingly.

Marine & Towage Services Group Limited was classified and disclosed as a discontinued operation per AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* for the year ended 30 June 2020. The subsidiary has been disposed of at 30 June 2021, the remaining investment is included in Other Investments at fair value.

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	Consolidated 2021 $'000	2020 $'000
Non-current assets		
Property, plant and equipment	-	48,199
Current assets		
Cash and cash equivalents	-	58
Trade and other receivables	-	1,457
Assets classified as held for sale	**-**	**49,714**
Current liabilities		
Trade and other payables	-	3,060
Current tax liabilities	-	2,775
Non-current liabilities		
Deferred tax liabilities	-	1,114
Borrowings	-	28,411
Liabilities classified as held for sale	**-**	**35,360**

Cash flows generated by Marine & Towage Services Group for the reporting period are as follows:

Operating activities	-	(389)
Investing activities	-	(153)
Financing activities	-	3,042
Effects of exchange rate changes on cash and cash equivalents	-	(100)
Cash flows from discontinued operations	-	2,400

Note 15. Non-current assets – property, plant and equipment

	Consolidated	
	2021	2020 Restated*
	$'000	$'000
Leasehold land and buildings – at cost	5,468	5,468
Less: Accumulated depreciation	(1,682)	(1,452)
	3,786	**4,016**
Plant and equipment – at cost	16,067	15,848
Less: Accumulated depreciation	(12,237)	(11,367)
	3,830	**4,481**
Leasehold vessel improvements – at cost	4,736	-
Less: Accumulated depreciation	(3,086)	-
	1,650	**-**
Vessel equipment – at cost	4,585	-
Less: Accumulated depreciation	(2,520)	-
	2,065	-
Vessels– at cost	-	179,747
Vessels– at revaluation	141,864	-
Less: Accumulated depreciation	(34,714)	(101,341)
Less: Impairment	(337)	(2,780)
	106,813	**75,626**
Capital work in progress	2,148	421
	120,292	**84,544**

Consolidated	Leasehold land and buildings	Plant and equipment	Vessels	Leasehold vessels and vessel equipment	Capital work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000*
Balance at 30 June 2019	**4,754**	**5,657**	**148,564**	**-**	**-**	**158,975**
Additions	-	76	6,297	-	421	6,794
Transfer of disposal group	(509)	(191)	(53,559)	-	-	(54,259)
Transfer to assets held for sale	-	-	(742)	-	-	(742)
Transfer from assets held for sale	-	-	10,152	-	-	10,152
Disposals	-	(9)	(8,928)	-	-	(8,937)
Impairment of assets*	-	-	(2,780)	-	-	(2,780)
Transfer to ROU asset	-	-	(12,158)	-	-	(12,158)
Depreciation expense	(229)	(1,052)	(11,220)	-	-	(12,501)
Balance at 30 June 2020	**4,016**	**4,481**	**75,626**	**-**	**421**	**84,544**
Transfer	-	-	(3,859)	3,859	(421)	(421)
Transfer to assets held for sale	-	-	(3,327)	-	-	(3,327)
Additions	-	235	6,018	828	2,148	9,229
Disposals	-	(2)	(952)	-	-	(954)
Impairment of assets	-	-	(337)	-	-	(337)
Revaluation of vessels	-	-	43,350	-	-	43,350
Depreciation expense	(230)	(884)	(9,706)	(972)	-	(11,792)
Balance at 30 June 2021	**3,786**	**3,830**	**106,813**	**3,715**	**2,148**	**120,292**

*Refer to note 33 for details of restatement

Impairment of non-current assets

The consolidated entity performs a review of non-current asset values each year whenever circumstances indicate that the carrying amount of assets are impaired. The Group recognized an impairment of $337 as at 30 June 2021 (2020: Restated impairment of $2,780). The impairment losses arising in the current period have been included in profit or loss as impairment of assets in the consolidated statement of profit or loss and other comprehensive income. There were no other indicators of impairment identified as at the end of June 2021.

Revaluation of vessels

The Group's vessels are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's vessels at 30 June 2021 were performed by Maritime Engineers Pty Ltd, independent valuers not related to the Group. Maritime Engineers Pty Ltd are ISO 9001:2015 accredited, and they have appropriate qualifications and recent experience in the fair value measurement of vessels in the relevant sectors. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar vessels. The fair value of the vessels was determined based on the market comparable approach that reflects recent transaction process for similar vessels.

In acknowledging Market Value, the Valuer makes recognition of the actual market and market bandwidth of the subject vessel should it be listed for sale under the "willing buyer-willing seller arm's length transaction" conditions of sale.

This was the Group's first year in valuing its vessels.

Note 16. Leases

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

	Consolidated	
	2021	2020
	$'000	$'000
Right-of-use assets		
Properties	8,319	-
Additions to right-of-use properties	141	10,218
Depreciation charge	(1,705)	(1,899)
	6,755	8,319
Vessels	19,289	-
Additions to right-of-use vessels	3,043	23,744
Impairment to right-of-use vessel	(5,578)	-
Depreciation charge	(5,151)	(4,455)
	11,603	19,289
Motor vehicles & cranes	-	-
Additions to right-of-use assets	825	-
Depreciation charge	(323)	-
	502	-
	18,860	27,608
Lease liabilities		
Current	7,931	5,728
Non-current	7,834	18,784
	15,765	**24,512**

Additions to the right-of-use assets during the 2021 financial year were $4,009 (2020 - $33,962).

(ii) Amounts recognised in the consolidated statement of profit or loss

	Consolidated 2021 $'000	2020 $'000
Depreciation charge of right-of-use assets		
Properties	1,705	1,899
Vessels	5,151	4,455
Motor vehicles & cranes	323	-
	7,179	**6,354**

	Consolidated 2021 $'000	2020 $'000
Interest expense (included in finance cost)	1,188	635
Expense relating to short-term leases	1,028	2,225
	2,216	**2,860**

The total cash outflow for leases in 2021 was $7,177 (2020 - $6,072).

(iii) Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, eg. For short-term leases and leases of low value items) are disclosed for each of the following periods:

	Consolidated 2021 $'000	2020 $'000
Less than one year	7,931	5,728
One to five years	7,051	14,910
More than five years	783	3,874
	15,765	**24,512**

Note 17. Non-current assets – intangibles

	Consolidated 2021 $'000	2020 $'000
ERP system – at cost	863	546
Less: Accumulated amortisation	(543)	(484)
	320	**62**

Note 18. Current liabilities – trade and other payables

	Consolidated 2021 $'000	2020 $'000
Trade payables	7,665	3,462
Payable to related party	126	(130)
Accruals	7,525	8,025
	15,316	**11,357**

Note 19. Current liabilities – borrowings

	Consolidated 2021 $'000	2020 $'000
Bank overdraft	19,460	15,123
Bank loans	3,996	3,166
Shareholder loans	-	10,528
	23,456	**28,817**

Note 20. Current liabilities – employee entitlements

	Consolidated 2021 $'000	2020 $'000
Annual leave	803	742
Long service leave	1,453	1,476
Employee benefits	314	285
	2,570	**2,503**

Amounts not expected to be settled within the next 12 months
The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement.

Note 21. Non-current liabilities – borrowings

	Consolidated 2021 $'000	2020 $'000
Bank loans	46,522	53,871
Shareholder loans	11,177	-
Long-term loans	9,804	9,804
	67,503	**63,675**

Total secured liabilities
The total secured liabilities are as follows:

	Consolidated 2021 $'000	2020 $'000
Bank overdraft	19,460	15,123
Bank loans	50,517	57,037
	69,977	**72,160**

Assets pledged as security
The bank overdraft and loans are secured by property and ship mortgages over the consolidated entity's land, buildings and vessels. The lease liabilities are secured by rights to the leased assets, recognised in the statement of financial position, and revert to the lessor in the event of default.

Interest rates and maturity dates
The bank overdraft forms part of a working capital facility to be used for general corporate and working capital purposes. The base interest rate is the overdraft reference rate, currently 6.07% p.a, with an expiry date of 30 September 2022.

The term debt facility bears interest at a base rate of BBSY and an interest rate margin of 2.50% p.a. The expiry date is 30 September 2023.

Financing arrangements

	Consolidated 2021 $'000	2020 $'000
Total facilities		
Bank overdraft	21,389	22,500
Bank loans	50,518	57,084
Bank contingent instrument facility	976	976
Credit cards facility	224	222
	73,107	**80,782**
Used at the reporting date		
Bank overdraft	19,460	15,123
Bank loans	50,517	57,037
Bank contingent instrument facility*	887	887
Credit cards facility	39	28
	70,903	**73,075**

Unused at the reporting date		
Bank overdraft	1,929	7,377
Bank loans	1	47
Bank contingent instrument facility	89	89
Credit cards facility	185	194
	2,204	**7,707**

* The bank contingent facility has been used towards letters of credits and bank guarantees.

Note 22. Non-current liabilities - employee benefits

	Consolidated	
	2021	**2020**
	$'000	**$'000**
Long service leave	327	770

Note 23. Equity - issued capital

	2021 Shares	**2020 Shares**	**2021 $'000**	**2020 $'000**
Ordinary shares fully paid	150,086,073	150,086,073	65,910	65,910

Movements in ordinary share capital

	Date	**Shares**	**Issue Price**	**$'000**
Balance	30 June 2020	150,086,073	-	65,910
Balance	30 June 2021	150,086,073	-	65,910

Ordinary shares
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.

Note 24. Equity - reserves

	Consolidated 2021 $'000	2020 Restated* $'000
Foreign currency reserve	(78)	(1,111)
Revaluation reserve	43,350	-
	43,272	**(1,111)**

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Revaluation reserve
This reserve is used to recognise the fair value adjustment on revaluation of vessels.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign Currency $'000	Revaluation* $'000	Total $'000
Balance at 30 June 2019	(1,355)	-	(1,355)
Movement for the year	244	-	244
Balance at 30 June 2020	**(1,111)**	**-**	**(1,111)**
Movement for the year	1,033	43,350	44,383
Balance at 30 June 2021	**(78)**	**43,350**	**43,272**

*Refer to note 33 for details of restatement

Note 25. Equity - dividends

Dividend
No dividends were declared or paid for the year ended 30 June 2021 (2020: nil).

Franking Credits

	Consolidated 2021 $'000	2020 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	23,522	23,522

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Franking credits are related to the Australian operations of the consolidated entity.

Note 26. Related party disclosures

Transactions with key management personnel

Key management personnel compensation comprised short-term employee benefits and post-employment benefits. Total key management personnel compensation amounted to $983,399 during the year ended 30 June 2021 (2020: $985,777).

Note 27. Remuneration of auditors

The following fees were paid or payable to the Group's auditors, KPMG, and services provided by other firms:

	Consolidated	
	2021	**2020**
	$	**$**
Audit services		
Audit of the financial statements – current year – KPMG	87,500	-
Audit of the financial statements – prior year – Grant Thornton	82,607	115,931
Other services		
Tax compliance and advisory - *KPMG*	22,638	107,903
	192,745	**223,834**

Note 28. Contingent liabilities

The consolidated entity has given bank guarantees and letters of credit as at 30 June 2021 totaling $887 (30 June 2020: $887).

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020 Restated*
	$'000	$'000
Loss after income tax	(2,252)	(6,956)
Total comprehensive income	29,238	(6,956)

Statement of financial position

	Parent	
	2021	2020 Restated
	$'000	$'000
Total current assets	21,088	18,175
Total assets	159,814	141,200
Total current liabilities	47,894	48,702
Total liabilities	123,558	131,932
Equity		
Issued capital	65,910	65,910
Reserves	29,160	(78)
Accumulated losses	(58,814)	(56,564)
Total equity	36,256	9,268

*Refer to note 33 for details of the restatement

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020, except for the deed of cross guarantee, as detailed in note 33.

Contingent liabilities
The parent entity has given bank guarantees as at 30 June 2021 of $887 (30 June 2020: $887).

Capital commitments - Property, plant and equipment
The parent entity has no capital commitments for property, plant and equipment at as 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Impairment of investment in subsidiary
On 2 July 2020, the parent entity assigned 90.01% of the shareholding in its 100% controlled subsidiary, Marine & Towage Services Group Limited to Cable Capital Partners Limited. The parent entity believed there to be an indication of impairment of $27.4m in its investment in Marine & Towage Services Group Limited which has been reflected in the parent entity information. The remaining investment of 9.99% is shown at fair value of $1,429,451 and is reflected in Other Investments.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business/country of incorporation	Ownership	
		2021	2020
		%	%
Bhagwan Investments Pty Ltd	Australia	100%	100%
Intrepid Marine Pty Ltd	Australia	100%	100%
DSL Marine Holdings Pty Ltd	Australia	100%	100%
C-side Marine Engineering Pty Ltd	Australia	100%	100%
Barge Partners Group Australia Pty Ltd	Australia	100%	100%
Work Boats Northern Australia 2 Pty Ltd	Australia	100%	100%
Ugly Boats Northern Australia 2 Pty Ltd	Australia	100%	100%
Bhagwan Marine Security Pty Ltd	Australia	100%	100%
RCWB Northern Australia Pty Ltd	Australia	100%	100%
North Australian Barge Services Pty Ltd	Australia	100%	100%
Barge Partnership Pty Ltd	Australia	100%	100%
Darwin Marine Logistics Base Pty Ltd	Australia	50%	50%
Bhagwan Marine (NT) Pty Ltd	Australia	100%	100%
Plantain (UK) Limited	UK	100%	100%
Marine & Towage Services Group Limited*	UK	-	100%

*Bhagwan Marine's investment in MTS is included in Other Investments at Fair Value

Note 31. Closed Group

Set out below is a consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position of the 'Closed Group'.

Consolidated statement of profit or loss and other comprehensive income	**2021**	**2020 Restated***
	$'000	**$'000**
Revenue	97,644	101,947
Other income	173	4,207
Raw materials and consumables used	(5,658)	(4,447)
Vessel expenses	(21,468)	(27,562)
Employee benefits expense	(43,317)	(46,791)
Depreciation	(19,032)	(19,084)
Impairment of assets	(1,157)	(2,977)
Occupancy expenses	(785)	(995)
Other expenses	(6,224)	(6,066)
Finance costs	(4,720)	(7,374)
Loss before income tax benefit	(4,544)	(9,142)
Income tax benefit	-	-
Loss after income tax benefit	(4,544)	(9,142)
Other comprehensive income for the year, net of tax	43,350	-
Total comprehensive income for the year	38,806	(9,142)

Equity – Accumulated losses	**2021**	**2020**
	$	**$**
Accumulated losses at the beginning of the financial year	(64,564)	(55,422)
Loss after income tax benefit	(4,544)	(9,142)
	(69,108)	(64,564)

*Refer to note 33 for details of the restatement

Consolidated Statement of financial position	2021 $'000	2020 Restated* $'000
Current assets		
Cash and cash equivalents	332	945
Trade and other receivables	17,697	13,078
Inventories - fuel	2,288	1,693
Other	434	630
Assets held for sale	3,333	4,102
	24,084	**20,448**
Non-current assets		
Other investments	1,455	1,755
Property, plant and equipment	120,292	84,544
Lease right-of-use assets	18,860	27,608
Intangibles	320	62
	140,927	**113,969**
Total assets	**165,011**	**134,417**
Current liabilities		
Trade and other payables	15,316	12,867
Borrowings	23,456	28,822
Lease liabilities	7,931	5,728
Employee benefits	2,570	2,503
	49,273	**49,920**
Non-current liabilities		
Borrowings	67,503	63,675
Lease liabilities	7,834	18,784
Employee benefits	327	770
	75,664	**83,229**
Total liabilities	**124,937**	**133,149**
Net assets	**40,074**	**1,268**
Equity		
Issued capital	65,910	65,910
Reserves	43,272	(78)
Accumulated losses	(69,108)	(64,564)
Total equity	**40,074**	**1,268**

*Refer to note 33 for details of the restatement

Note 32. Reconciliation of loss after income tax to net cash from operating activities

	2021 $'000	2020 Restated* $'000
Loss after income tax benefit from continuing operations	(4,544)	(7,632)
Adjustments for:		
Depreciation and amortisation	19,032	19,084
Impairment of non-current assets	1,157	3,146
Bad debts recovered	-	(169)
Foreign exchange differences	14	24
Net loss/(gain) on disposal of property, plant and equipment	85	(3,790)
Interest expense on shareholder and vendor loans	774	1,224
Income tax benefit	-	-
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(4,029)	4,609
(Increase)/decrease in inventories – fuel	(595)	414
Decrease in prepayments	196	171
Increase in other investments	300	-
Increase/(decrease) in trade and other payables	1,923	(6,859)
(Decrease) in employee benefits	(376)	(1,586)
Net cash from operating activities from continuing operations	13,937	8,636

*Refer to note 33 for details of the restatement

Note 33. Prior Year Restatements

During the year ended 30 June 2021, the following misstatements were identified relating to prior financial periods. These misstatements have been corrected by restating each of the affected financial statement line items for prior periods. The misstatements are set out below:

- The fair value of vessels was not applied to the entire class of vessel assets in the prior financial period. As a consequence, the vessel assets and the revaluation reserve were overstated as at 30 June 2020 by $10,937.

- As a result of vessel valuations performed during the prior financial period, there was an indication of impairment of vessel assets at 30 June 2020 of $2,780.

- The Multi-Option facility of $19,460 was incorrectly classified as cash and cash equivalents in the prior financial period. The movement in the facility has been disclosed in Cash Flows from financing activities.

The following table summarises the impacts on the financial statements:

Consolidated Statement of Financial Position (30 June 2020 Restatement)

	Original Amount	Adjustment	Restated Amount
	$'000	$'000	$'000
Property, plant and equipment	98,261	(13,717)	84,544
Non-current assets	125,971	(13,717)	112,254
Total Assets	196,133	(13,717)	182,416
Reserves	9,826	(10,937)	(1,111)
Accumulated losses	(46,597)	(2,780)	(49,377)
Total Equity	29,139	(13,717)	15,422

Consolidated Statement of profit or loss and other comprehensive income (30 June 2020 Restatement)

	Original Amount	Adjustment	Restated Amount
	$'000	$'000	$'000
Impairment of assets	(197)	(2,780)	(2,977)
Loss from continuing operations	(4,852)	(2,780)	(7,632)
Revaluation of vessels	10,937	(10,937)	-
Total comprehensive income for the year	(623)	(13,717)	(14,340)

Consolidated Statement of changes in equity (30 June 2020 Restatement)

	Original Amount	Adjustment	Restated Amount
	$'000	$'000	$'000
Loss after income tax benefit for the year	(11,804)	(2,780)	(14,584)
Revaluation reserve	10,937	(10,937)	-
Balance at 30 June 2020	29,139	(13,717)	15,422

Consolidated Statement of Cash Flows (30 June 2020 Restatement)

	Original Amount	Adjustment	Restated Amount
	$'000	$'000	$'000
Movement in bank facilities	-	(3,507)	(3,507)
Net cash used in financing activities	(13,263)	(3,507)	(16,770)
Net increase/(decrease) in cash and cash equivalents	4,118	(3,507)	611
Cash and cash equivalents at the beginning of the financial year	(18,387)	18,630	243
Cash and cash equivalents from continuing operations at 30 June 2020	(14,178)	15,123	945

Note 34. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

1. In the directors' opinion:

(a) the consolidated entity is not publicly accountable;

(b) the consolidated financial statements and notes that are set out on pages 7 to 42 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the *Corporations Regulations 2001*; and

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

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

On behalf of the directors

Anthony Wooles
Chairman

30 November 2021
Perth, WA

Independent Auditor's Report

To the shareholders of Bhagwan Marine Pty Ltd

Opinion

We have audited the ***Financial Report*** of Bhagwan Marine Pty Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards- Simplified Disclosures* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2021
- 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
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – restatement of comparative figures

We draw attention to Note 33 to the financial statements, which states that amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.

Other matter

The Financial Report for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on the Financial Report.

Other Information

Other Information is financial and non-financial information in Bhagwan Marine Pty Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the 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/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Matthew Hingeley

Partner

Perth

30 November 2021