

Murray Cod Australia Ltd

ACN: 143 928 625



AQUANA
Sustainable Murray Cod

Interim Financial Report For The Half-Year Ended
31 December 2023



This interim financial report incorporating Appendix 4D is provided to the Australian Securities Exchange (ASX under ASX Listing Rule 4.2A.3). The information contained in this report is to be read in conjunction with Murray Cod Australia Ltd's 2023 Annual Report and any announcements to the market by Murray Cod Australia Ltd during the half-year period ending 31 December 2023.

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

Current Period 1 July 2023 to 31 December 2023. Prior Corresponding 1 July 2022 to 31 December 2022.



Murray Cod Australia Ltd

ASX:MCA

ABN: 74 143 928 625

Interim Financial Report For The Half-Year Ended 31 December 2023

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Appendix 4D

Current Period
Prior Corresponding

1 July 2023 to 31 December 2023
1 July 2022 to 31 December 2022

MURRAY COD AUSTRALIA LIMITED – FINANCIAL REPORT

CORPORATE DIRECTORY

ABN 74 143 928 625

Directors

Ross Anderson
Mathew Ryan
George Roger Commins

Company Secretaries

Wendy Dillon
Brett Tucker

Registered office

2-4 Lasscock Road
Griffith, NSW 2680
Australia
Telephone +61 2 69625470
Mail PO Box 492
Griffith, NSW 2680

Solicitors

HWL Ebsworth Lawyers
Level 14, Australia Square
264-278 George Street
SYDNEY NSW 2000

Bankers

Westpac Bank
242 Banna Avenue
GRIFFITH NSW 2680

Auditors

RSM Australia Partners
12 Anderson Street West
Ballarat, VIC 3350

Website www.aquna.com

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The information contained in this report is to be read in conjunction with Murray Cod Australia Ltd's 2023 Annual Report and any announcements to the market by Murray Cod Australia Ltd during the half-year period ending 31 December 2023.

ABN: 74 143 928 625.
Current Period
Prior Corresponding

ASX: MCA. **Appendix 4D**
1 July 2023 to 31 December 2023.
1 July 2022 to 31 December 2022.

MURRAY COD AUSTRALIA LIMITED AND CONTROLLED ENTITIES

ABN: 74 143 928 625

Interim Financial Report For The Half-Year Ended 31 December 2023

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**MURRAY COD AUSTRALIA LIMITED
AND CONTROLLED ENTITIES**
ABN: 74 143 928 625
INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

KEY INFORMATION

	Half Year ended 31 December 2023	Half Year ended 31 December 2022	% Change
Revenue from ordinary activities	4,569,216	6,053,724	(25)%
Profit/(loss) after tax from ordinary activities attributable to members	(2,732,696)	(365,892)	(647)%
Net Profit/(loss) attributable to members	(2,732,696)	(365,892)	(647)%

Key Highlights

Australian Sustainable Protein Fund created as property owning vehicle for MCA.
Stanbridge development well underway. New ponds at Whitton site now fully stocked. Revenue still lagging as sizing of fish holds back sales.

DIVIDENDS PAID AND PROPOSED

Nil.

NET TANGIBLE ASSETS PER SHARE

31 Dec 2023 \$0.09

31 Dec 2022 \$0.10

CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF-YEAR

On 2nd November 2023 Murray Cod Australia Ltd became 100% owner of Australian Sustainable Protein Fund Pty Ltd.
On 2nd November 2023 Murray Cod Australia Ltd became 100% owner of ASPF Land Pty Ltd.
On 2nd November 2023 Murray Cod Australia Ltd became 100% owner of ASPF Water Pty Ltd.
On 18th December 2023 Murray Cod Australia Ltd became 100% owner of the Australian Sustainable Protein Fund which is the 100% owner of ASPF Land Fund and ASPF Water Fund.

DIVIDEND DETAILS

Nil.

DIVIDEND REINVESTMENT PLANS

Nil.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Nil.

INDEPENDENT AUDIT REVIEW

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

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

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of Murray Cod Australia Limited and its controlled entities for the half- year ended 31 December 2023.

**General Information
Directors**

The following persons were directors of Murray Cod Australia Limited during or since the end of the financial year up to the date of this report:

Ross Anderson
Mathew Ryan
George Roger Commins
Martin Priestley (Resigned 7/12/2023)

Dividends Paid or Recommended

No dividends have been declared or paid during the half-year ended 31 December 2023.

Principal Activities

The principal activity of the Company is Aquaculture.

Review and Results of Operations

Set out below is a review of significant activity for Murray Cod Australia Limited for the half-year ended 31 December 2023:

- Growth and health outcomes of biological stock have been on target during spring and early summer. Spawning results were also in line with planned numbers.
- The Australian Sustainable Protein Fund (ASPF) was formed by the company as a wholly owned subsidiary. The ASPF Land Fund has exchanged contracts to purchase the Stanbridge site which has a development application approved for 78 grow out ponds.
- Newly developed grow out ponds at Whitton were stocked to capacity during the first half of the year. Development of additional ponds at our Stanbridge site are underway at present. If there is no bad weather or unforeseen logistical issues to slow progress, the Company is aiming to have approximately 28 of these ponds completed and stocked before the end of March 2024. We expect to complete development of an additional 50 ponds in time for stocking next summer.
- The company settled a \$20million debt facility with iPartners on the 20th December 2023.
- The Company continues to plan on achieving a growth trajectory to meet its production target of 10,000 tonnes by 2030.

Financial Review

The Company reported a loss for the half-year ended 31 December 2023 of \$2,732,696 (31 December 2022: loss \$365,892.)

Significant Events after Balance Date

No significant events have occurred since balance date.

Significant Changes in the State of Affairs

Other than the activities described in the Directors report above, there were no other significant changes in the state of affairs of the Company in the six months ended 31 December 2023.

Going Concern

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2023 has been received.

Indemnification and Insurance of Officers and Directors

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

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

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

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

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'R Anderson', with a large, sweeping flourish at the end.

Ross Anderson
Chairman

28th February 2024

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

12 Anderson Street West, Ballarat VIC 3350

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As lead auditor for the review of the financial report of Murray Cod Australia Ltd and its Controlled Entities for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM

RSM AUSTRALIA PARTNERS



JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 28th day of February 2024

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RSM Australia Partners ABN 36 965 185 036

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Consolidated Group			
		Half-year Ended 31-Dec-23	Half-year Ended 31-Dec-22
	Note	\$	\$
Continuing operations			
Revenue from contracts with customers	3	4,569,216	6,053,724
Other Income	3	268,102	60,742
Net gain from change in fair value of biological assets		9,357,026	11,110,752
Adjustment to fair value of biological assets		61,974	(329,461)
Employee benefits expense		(5,341,938)	(3,449,425)
Cost of sales - equipment		-	(4,010)
Cost of sales - fish		(6,830,545)	(8,694,182)
Cost of sales - processing plant		(67,422)	(124,825)
Cost of sales - cattle		(95,427)	-
Administrative and other expenses		(1,446,340)	(965,318)
Fish farm operating expenses		(2,351,232)	(2,252,891)
Depreciation and amortisation expense		(1,345,448)	(948,932)
Share based payment expense		(362,910)	(745,774)
Net loss before Income tax	4	(3,584,944)	(289,600)
Tax expense	5	852,248	(76,292)
Net loss from continuing operations		(2,732,696)	(365,892)
Discontinued operations		-	-
Net loss for the half-year after tax		(2,732,696)	(365,892)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on land and buildings and water rights and licences net of tax		5,467,012	(12,188)
Total other comprehensive income for the half-year		5,467,012	(12,188)
Total comprehensive income for the half-year		2,734,316	(378,080)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(0.36) cents	(0.048) cents
Diluted earnings per share (cents)		(0.34) cents	(0.046) cents
From continuing operations:			
Basic earnings per share (cents)		(0.36) cents	(0.048) cents
Diluted earnings per share (cents)		(0.34) cents	(0.046) cents

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Consolidated Group	
		As at 31-Dec-23	As at 30-Jun-23
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	17,882,734	11,424,244
Trade and other receivables	7	638,576	620,268
Inventories	8	27,168,435	20,902,140
Other assets	9	385,177	591,793
TOTAL CURRENT ASSETS		46,074,922	33,538,445
NON-CURRENT ASSETS			
Other financial assets		123	123
Property, plant and equipment	10	53,044,252	41,151,897
Deferred tax assets	14	8,043,219	4,507,713
Right of use assets	20	10,488,458	9,878,870
Intangible assets	11	4,940,609	4,731,633
TOTAL NON-CURRENT ASSETS		76,516,661	60,270,236
TOTAL ASSETS		122,591,583	93,808,681
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	2,920,322	2,832,607
Borrowings	13	2,462,614	1,088,940
Lease liabilities	20	727,467	670,685
Provisions	15	816,832	682,018
TOTAL CURRENT LIABILITIES		6,927,235	5,274,250
NON-CURRENT LIABILITIES			
Borrowings	13	20,443,325	1,544,132
Lease liability	20	10,116,076	9,478,773
Deferred tax liabilities	14	10,859,732	6,421,784
Provisions	15	71,375	56,966
TOTAL NON-CURRENT LIABILITIES		41,490,508	17,501,655
TOTAL LIABILITIES		48,417,743	22,775,905
NET ASSETS		74,173,840	71,032,776
EQUITY			
Issued capital		78,861,056	78,861,056
Reserves		25,284,839	19,478,726
Retained earnings		(29,972,055)	(27,307,006)
TOTAL EQUITY		74,173,840	71,032,776

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Share Capital		Retained Earnings	Reserves			TOTAL
	Ordinary	Deferred Ordinary Shares		Asset Revaluation Reserve	Option Reserve	Performance Rights Reserve	
Consolidated Group							
Balance at 1 July 2022	78,787,556	-	(20,006,079)	14,918,796	2,686,888	-	76,387,161
Profit or (loss) and other comprehensive income							
Profit or (loss) for the year	-	-	(365,892)	-	-	-	(365,892)
Other comprehensive income for the year	-	-	-	(12,188)	-	-	(12,188)
Total profit or (loss) and other comprehensive income for the year	-	-	(365,892)	(12,188)	-	-	(378,080)
Transactions with owners and other transfers							
Options exercised or lapsed	-	-	-	-	(103,791)	-	(103,791)
Options issued and expensed during the year	-	-	-	-	825,757	-	825,757
Total other	-	-	-	-	721,966	-	721,966
Balance at 31 December 2022	78,787,556	-	(20,371,971)	14,906,608	3,408,854	-	76,731,047
Consolidated Group							
Balance at 1 July 2023	78,861,056	-	(27,307,006)	14,781,359	4,697,367	-	71,032,776
Adjustment for change in accounting standard	-	-	67,647	-	-	-	67,647
Profit or (loss) and other comprehensive income							
Profit or (loss) for the year	-	-	(2,732,696)	-	-	-	(2,732,696)
Other comprehensive income for the year	-	-	-	5,467,012	-	-	5,467,012
Total profit or (loss) and other comprehensive income for the year	-	-	(2,732,696)	5,467,012	-	-	2,734,316
Transactions with owners and other transfers							
Options exercised or lapsed	-	-	-	-	(207,027)	-	(207,027)
Options issued and expensed during the year	-	-	-	-	546,128	-	546,128
Total other	-	-	-	-	339,101	-	339,101
Balance at 31 December 2023	78,861,056	-	(29,972,055)	20,248,371	5,036,468	-	74,173,840

The accompanying notes form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

		Consolidated Group	
		Half-year Ended	Half-year Ended
		31-Dec-23	31-Dec-22
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and grants		4,245,276	5,147,720
Payments to suppliers and employees		(12,704,966)	(10,476,963)
Interest received		91,774	1,736
Net cash used in operating activities	17	(8,367,916)	(5,327,507)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of trademarks		(3,376)	-
Purchase of property, plant and equipment		(2,926,806)	(4,672,469)
Net cash used in investing activities		(2,930,182)	(4,672,469)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		20,000,000	606,424
Repayment of borrowings		(1,503,887)	(333,043)
Repayment of lease principal		(352,797)	(242,276)
Net cash provided by financing activities		18,143,316	31,105
Net increase/(decrease) in cash held		6,845,218	(9,968,871)
Cash and cash equivalents at beginning of financial year		11,026,502	26,969,036
Cash and cash equivalents at the end of the period	6	17,871,720	17,000,165

The accompanying notes form part of these financial statements

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

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

The financial statements were authorised for issue on the 28th February 2024 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Murray Cod Australia Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half-year.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Accounting Policies

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

(c) New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period and has applied them if relevant and material.

Note 2 : Changes in Accounting Policies

There has been no changes to accounting policies.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 3 Revenue and Other Income

	Consolidated Group	
	Half-year Ended 31-Dec-23	Half-year Ended 31-Dec-22
	\$	\$
Revenue from contracts with customers		
Sales revenue		
- Fish sales	4,370,051	6,034,192
- Cattle sales	53,619	-
- Equipment sales	2,996	-
	4,426,666	6,034,192
Other revenue		
- Interest received	104,994	9,977
- Insurance proceeds	24,776	9,555
- Sundry income	12,780	-
	142,550	19,532
Total revenue	4,569,216	6,053,724
Other Income		
- Subsidies and rebates	268,102	60,742
Total other income	268,102	60,742
Total revenue and other income	4,837,318	6,114,466

The group has disaggregated revenue into product sales. There is no other means of disaggregating revenue. All products are sold at a point in time not over time. The sales currently from overseas is minimal not warranting revenue to be disaggregated by geographical markets.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 4 Profit for the Year

	Consolidated Group Half-year Ended 31-Dec-23 \$	Half-year Ended 31-Dec-22 \$
Profit/(Loss) before income tax from continuing operations includes the following specific expenses:		
Expenses		
Interest expense on financial liabilities		
- Related parties	-	-
- Unrelated parties	184,026	87,894
Total finance cost	184,026	87,894
Interest on lease liability	213,710	111,515
Depreciation and amortisation	908,154	683,747
Depreciation right of use asset	437,294	265,186
	1,345,448	948,933
Superannuation	400,923	286,455

Note part of employee benefits expenses, veterinary and depreciation are expenses incurred in Research and Development but are not listed separately as Research and Development.

Note 5 Tax Expense

	Consolidated Group Half-year Ended 31-Dec-23 \$	Half-year Ended 31-Dec-22 \$
a) The components of tax expense (income) comprise:		
Current tax	-	-
Deferred tax	(852,248)	76,292
	(852,248)	76,292
b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 25%	(896,236)	(72,400)
Add: Tax effect of		
- non-allowable items	87,289	196,204
- decrease in corporate tax rate	-	-
	(808,947)	123,804
Less: Tax effect of		
- deductible expenses capitalised on balance sheet or otherwise claimable	43,301	47,512
- income not assessable	-	-
- decrease in corporate tax rate	-	-
Income tax attributable to entity	(852,248)	76,292

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 6 Cash and Cash Equivalents

	Note	Consolidated Group	
		As at 31-Dec-23	As at 30-Jun-23
		\$	\$
Cash at bank and on hand		7,882,734	4,424,244
Short-term bank deposits		10,000,000	7,000,000
		<u>17,882,734</u>	<u>11,424,244</u>

The effective interest rate on short-term bank deposits was 5%.

Reconciliation of cash

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

		Half-year Ended 31-Dec-23	Half-year Ended 31-Dec-22
Cash and cash equivalents		17,882,734	17,034,086
Credit cards	13	(11,014)	(33,921)
		<u>17,871,720</u>	<u>17,000,165</u>

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

Note 7 Trade and Other Receivables

		Consolidated Group	
		As at 31-Dec-23	As at 30-Jun-23
		\$	\$
CURRENT			
Trade receivables		617,958	590,105
Provision for impairment		(13,396)	(39,161)
		<u>604,562</u>	<u>550,944</u>
Other receivables		34,014	7,333
Business Activity Statement refunds receivable		-	61,991
Total current trade and other receivables		<u>638,576</u>	<u>620,268</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 8 Inventories

	Consolidated Group	
	As at 31-Dec-23	As at 30-Jun-23
	\$	\$
CURRENT		
At cost:		
Fish feed and chemical inventory	1,014,605	953,155
Livestock - Cattle	170,374	265,802
Processing plant inventory	125,282	113,159
Cage building stock and parts	8,265	8,265
	<u>1,318,526</u>	<u>1,340,381</u>
At net realisable value:		
Biological assets	25,849,909	19,561,759
Total inventory	<u>27,168,435</u>	<u>20,902,140</u>

Biological Assets

	Consolidated Group	
	As at 31-Dec-23	As at 30-Jun-23
	\$	\$
Biological assets		
Murray Cod Broodstock	2,816,133	2,756,890
Murray Cod Fingerlings and Juveniles	8,579,439	4,225,427
Murray Cod Pond Fish	17,491,567	15,727,047
Golden Perch Fingerlings	-	-
Silver Perch Fingerlings	48,400	-
Less: Provision for biological assets	<u>(3,085,630)</u>	<u>(3,147,605)</u>
	<u>25,849,909</u>	<u>19,561,759</u>
Carrying amount at the beginning of the period	22,709,364	16,234,513
Purchases	1,094,260	3,150,183
Decreases due to harvest for sale	(4,225,112)	(11,438,390)
Gain from physical changes at fair value	9,357,027	14,763,058
Carrying amount at the end of the period	<u>28,935,539</u>	<u>22,709,364</u>

Note 9 Other Assets

	Consolidated Group	
	As at 31-Dec-23	As at 30-Jun-23
	\$	\$
CURRENT		
Prepayments and deposits	385,177	591,793
	<u>385,177</u>	<u>591,793</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 10 Property, Plant and Equipment

	Consolidated Group	
	As at 31-Dec-23	As at 30-Jun-23
	\$	\$
LAND AND BUILDINGS		
Land and buildings		
- at cost	2,163,480	1,666,519
- Independent valuation	36,750,000	25,450,000
Total land	38,913,480	27,116,519
Carrying amount of all land had it been carried under the cost model	8,780,350	5,742,900

The Group's land and buildings held at 31 December 2023 were revalued at 31 December 2023 by independent valuers.

PLANT & EQUIPMENT

Plant and equipment		
At cost	18,180,078	18,291,629
Accumulated depreciation	(4,049,306)	(4,406,237)
	14,130,772	13,885,392
At valuation	-	396,350
Accumulated depreciation	-	(246,364)
	-	149,986
Total plant and equipment	14,130,772	14,035,378
Total property, plant and equipment	53,044,252	41,151,897

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 11 Intangible Assets

	Consolidated Group	
	As at 31-Dec-23	As at 30-Jun-23
	\$	\$
Water rights and licences at market value	2,744,200	2,538,600
Trademarks & intellectual property at cost	83,242	79,866
Goodwill	2,113,167	2,113,167
Total intangible assets	4,940,609	4,731,633

	Goodwill	Water Rights & Licences	Trademarks & Intellectual Property
Year ended 30 June 2023			
Balance at the beginning of the year	2,113,167	2,721,850	71,842
Additions	-	-	8,024
Revaluation	-	(183,250)	-
Closing value at 30 June 2023	2,113,167	2,538,600	79,866
Half Year ended 31 December 2023			
Balance at the beginning of the year	2,113,167	2,538,600	79,866
Additions	-	-	3,376
Revaluation	-	205,600	-
Closing value at 31 December 2023	2,113,167	2,744,200	83,242

Water licences held by the company are classified as intangible assets. The licences are issued by the NSW Government and by Murrumbidgee Irrigation Limited and provide the company with the right to receive allocations of water from Murrumbidgee river supplies and from underground aquifers. The volume of water allocated to the general security Murrumbidgee licences each year is dependent upon the volumes available within the Snowy Mountains storages each year. The allocations are announced progressively throughout the irrigation season each year by the government. Both the licences and the annual allocations of water are readily tradeable assets. There is a sophisticated and well regulated market network which provides daily prices of the permanent licences and the annual allocations. The company revalues the water licences each half year in accordance with the prevailing market prices at balance date. The value of annual allocations is not accounted for by the company as such allocations expire on 30 June each year.

Impairment of goodwill is determined annually. Goodwill is allocated to cash-generating units which are based on the Group's reporting divisions. Goodwill was purchased via acquisition of Murray Darling Fisheries Pty Ltd on 30 April 2020. There is no impairment of goodwill in the 2023 year or the six months to 31 December 2023. The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 12 Trade and Other Payables

	Consolidated Group	
	As at 31-Dec-23	As at 30-Jun-23
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	1,389,360	2,470,210
Other payables and accrued expenses	1,530,962	362,397
	<u>2,920,322</u>	<u>2,832,607</u>
Financial liabilities classified as trade and other payables		
Trade and other payables		
- Total current	2,920,322	2,832,607
- Total non-current	-	-
	<u>2,920,322</u>	<u>2,832,607</u>

Note 13 Borrowings

	Consolidated Group	
	As at 31-Dec-23	As at 30-Jun-23
	\$	\$
CURRENT		
Secured Liabilities		
Equipment Finance Facilities	288,120	691,198
Bank overdrafts	-	352,196
Settlement liabilities	2,163,480	-
Credit Card Facilities	11,014	45,546
	<u>2,462,614</u>	<u>1,088,940</u>
NON-CURRENT		
Secured Liabilities		
Equipment Finance Facilities	443,325	1,544,132
Westpac Bank Bill Loan	-	-
iPartners Loan Facility	20,000,000	-
	<u>20,443,325</u>	<u>1,544,132</u>
Total Borrowings	<u>22,905,939</u>	<u>2,633,072</u>

Murray Cod Australia Limited settled the iPartners Loan Facility on the 20th December 2023.

The purpose of the loan to fund the business expansion programme.

The financial covenants of this loan facility are:

1. The loan to value ratio must not exceed 35%;
2. The group cash balance must be a minimum of \$5,000,000; and
3. The MCA weighted market value must exceed 3 times MCA Net Debt.

The company currently meets all three financial covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 16 Contingent Liabilities and Contingent Assets

There were no contingent assets or liabilities outstanding at 31 December 2023 (30 June 2023: nil)

Note 17 Cash Flow Information

	Consolidated Group	
	Half-year Ended 31-Dec-23	Half-year Ended 31-Dec-22
	\$	\$
(a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax		
Loss after income tax	(2,732,696)	(365,892)
Non-cash flows in profit		
Depreciation and amortisation	1,345,448	948,933
Loss on disposal of plant	4,844	-
Share Based Payment	362,910	745,774
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and term receivables	(18,308)	(265,830)
(Increase)/decrease in other assets	(448,509)	(288,236)
(Increase)/decrease in inventories	(6,266,295)	(7,209,986)
Increase/(decrease) in trade payables and accruals	87,715	929,790
Increase/(decrease) in deferred taxes payable	145,893	8,319
(Increase)/decrease in deferred taxes receivable	(998,141)	67,974
Increase/(decrease) in provisions	149,223	101,647
Cash flows from operating activities	(8,367,916)	(5,327,507)

Note 18 Events after the Reporting Period

No significant events have occurred since balance date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 19 Fair Value Measurements

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

- Biological assets
- Water rights and licences

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

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

(a) Fair value hierarchy

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

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	31 December 2023			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Inventory</i>				
Inventory at fair value through profit or loss				
— Biological assets - current	-	-	25,849,909	25,849,909
Total inventory recognised at fair value on a recurring basis	-	-	25,849,909	25,849,909
<i>Non-financial assets</i>				
Water rights and licences	2,744,200	-	-	2,744,200
Total non-financial assets recognised at fair value on a recurring basis	2,744,200	-	-	2,744,200
<i>Non-recurring fair value measurements</i>				
Land and buildings	-	36,750,000	-	36,750,000
Total non-financial assets recognised at fair value on a non-recurring basis	-	36,750,000	-	36,750,000
Total non-financial assets recognised at fair value	2,744,200	36,750,000	-	39,494,200

(i) The land and buildings:

"Silverwater" 563 Pinehope Road, GRONG GRONG NSW 2652

"Bilbul" Farm 1444d, Bilbul Road, BILBUL NSW 2680

"Euberta" 1795 Old Narrandera Road, EUBERTA NSW 2650

"Gogeldrie" 396 Kirkup Road, GOGELDRIE NSW 2705

Were revalued in accordance with the Valuations prepared at 2nd October 2023 by:

LAWD, The Annex, Level 1, 12 Creek Street, BRISBANE QLD 4000

The land:

"Stanbridge" 181 Murrumbidgee Road, STANBRIDGE NSW 2705 was purchased on 21st December 2023 and is accounted for at cost

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

30 June 2023				
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements	\$	\$	\$	\$
<i>Inventory</i>				
Inventory at fair value through profit or loss				
— Biological assets - current	-	-	19,561,759	19,561,759
Total inventory recognised at fair value on a recurring basis	-	-	19,561,759	19,561,759
<i>Non-financial assets</i>				
Water rights and licences	2,538,600	-	-	2,538,600
Total non-financial assets recognised at fair value on a recurring basis	2,538,600	-	-	2,538,600
<i>Non-recurring fair value measurements</i>				
Land and buildings	-	27,116,519	-	27,116,519
Total non-financial assets recognised at fair value on a non-recurring basis	-	27,116,519	-	27,116,519
Total non-financial assets recognised at fair value	2,538,600	27,116,519	-	29,655,119

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

Description	Fair Value (\$) at 31 Dec 2023	Valuation Technique(s)	Inputs Used
Non-financial assets		Market approach using recent observable market data for similar properties: income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
Land and buildings	36,750,000		

- The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

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

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

Valuation processes

The biological assets of the company are considered Level 3 and are valued internally by the company as there is no observable market for them. The value is based on the estimated exit price per kilogram and the value changes for the average weight of each fish as it progresses through the growth and transformation cycle. The average weight of the fish is sample measured periodically, and the value is determined by applying the average weight to the estimated price based on staged weight values (100 gram stages). The life cycle of the fish is approximately 2 years to minimum initial harvest size. The value per fish is based on the weight estimate, multiplied by the expected market price at the relevant point of transformation. Significant changes in any of the significant unobservable inputs in isolation would result in significant changes in fair value measurement.

The net increment/decrement in the fair value of Murray Cod Fish is recognised as income/(expense) in the reporting period. There has been an increase in the fair value per unit of Murray Cod Fish from 30 June 2023 to 31 December 2023, from \$23.53 to \$24.18, this increase is based on observed market selling information.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 20: Right of Use Assets

The Group's lease portfolio includes land and buildings. These leases have an average term of 12 years.

Options to Extend or Terminate: The option to extend or terminate are contained in the clauses of several property leases in the Group. These clauses provide the Group with opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which were probable to be exercised have been included in the calculation of the right of use asset.

AASB 16 related amounts recognised in the balance sheet

	Consolidated Group	
	As at 31-Dec-23	As at 30-Jun-23
	\$	\$
Right of Use Assets: Leased Land and Buildings		
Opening balance	9,878,870	5,510,197
Leases commenced and remeasured	1,046,882	4,859,802
Depreciation expense for the half-year ended	(437,294)	(491,129)
Net carrying amount	<u>10,488,458</u>	<u>9,878,870</u>
Current	-	-
Non-Current	<u>10,488,458</u>	<u>9,878,870</u>
Total	<u>10,488,458</u>	<u>9,878,870</u>
Lease Liabilities: Leased Land and Buildings		
Current	727,467	670,685
Non-Current	<u>10,116,076</u>	<u>9,478,773</u>
TOTAL	<u>10,843,543</u>	<u>10,149,458</u>
	Half-year Ended	Half-year Ended
	31-Dec-23	31-Dec-22
AASB 16 related amounts recognised in the statement of profit or loss		
Depreciation charge related to right-of-use assets	437,294	265,186
Interest expense of lease liabilities	213,710	111,515

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

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

1. the financial statements and notes as set out on pages 8 to 25, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Consolidated Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director

A handwritten signature in black ink, appearing to read 'R Anderson', with a stylized flourish at the end.

**Ross Anderson
Chairman**

Dated this 28th Day of February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Murray Cod Australia Ltd and its
Controlled Entities

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Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Murray Cod Australia Ltd and its Controlled Entities which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Murray Cod Australia Ltd and its Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Murray Cod Australia Ltd and its Controlled Entities, would be in the same terms if given to the directors as at the time of this auditor's report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Murray Cod Australia Ltd and its Controlled Entities are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



RSM AUSTRALIA PARTNERS



JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 28th day of February 2024

