

Murray Cod Australia Ltd

ACN: 143 928 625



AQUNA
Sustainable Murray Cod

Interim Financial Report For The Half-Year Ended
31 December 2022



This interim financial report incorporating Appendix 4D is provided to the Australian Securities Exchange (ASX under ASX Listing Rule 4.2A.1). The information contained in this report is to be read in conjunction with Murray Cod Australia Ltd's 2022 Annual Report and any announcements to the market by Murray Cod Australia Ltd during the half-year period ending 31 December 2022.

ABN: 74 143 928 625. ASX: MCA. Appendix 4D.1.

Current Period 1 July 2022 to 31 December 2022. Prior Corresponding 1 July 2021 to 31 December 2021.



Murray Cod Australia Ltd

ASX:MCA

ABN: 74 143 928 625

Interim Financial Report For The Half-Year Ended 31 December 2022

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 2022 Annual Report and any announcements to the market by Murray Cod Australia Ltd during the half-year period ending 31 December 2022.

Appendix 4D.1

Current Period
Prior Corresponding

1 July 2022 to 31 December 2022
1 July 2021 to 31 December 2021

MURRAY COD AUSTRALIA LIMITED – FINANCIAL REPORT

CORPORATE DIRECTORY

ABN 74 143 928 625

Directors

Ross Anderson
Mathew Ryan
George Roger Commins
Martin Priestley

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

Allens
Level 37, QV1
250 St Georges Terrace
Perth, WA. 6000

Bankers

Westpac Bank
242 Banna Avenue
GRIFFITH NSW 2680

Auditors

RSM Australia Partners
12 Anderson Street West
Ballarat, VIC 3350

Website www.aquna.com

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 2022 Annual Report and any announcements to the market by Murray Cod Australia Ltd during the half-year period ending 31 December 2022.

ABN: 74 143 928 625. ASX: MCA. Appendix 4D.1.
Current Period 1 July 2022 to 31 December 2022.
Prior Corresponding 1 July 2021 to 31 December 2021.

MURRAY COD AUSTRALIA LIMITED AND CONTROLLED ENTITIES

ABN: 74 143 928 625

Interim Financial Report For The Half-Year Ended 31 December 2022

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MURRAY COD AUSTRALIA LIMITED
ABN: 74 143 928 625 AND CONTROLLED
ENTITIES
INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

KEY INFORMATION

	Half Year ended 31 December 2022	Half Year ended 31 December 2021	% Change
Revenue from Ordinary Activities	6,053,724	4,842,582	25%
Profit/(loss) after tax from ordinary activities attributable to members	(365,892)	(3,042,220)	88%
Net Profit/(loss) attributable to members	(365,892)	(3,042,220)	88%

Explanation of Revenue and Net Loss

25% Revenue Growth

Revenue Growth due to increased quantity of fish sold and increase in per kg sale price

Average sale size of fish now at 1.36kg

DIVIDENDS PAID AND PROPOSED

Nil.

NET TANGIBLE ASSETS PER SHARE

31 Dec 2022 \$0.10

31 Dec 2021 \$0.09

CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF-YEAR

Nil.

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 ABN: 74 143 928 625
AND CONTROLLED ENTITIES
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 2022.

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

Dividends Paid or Recommended

No dividends have been declared or paid during the half year ended 31 December 2022.

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 2022:

The cool, wet weather during spring and early summer caused slower than expected growth within biological stocks. However the biological stocks have still shown a significant increase during the period. Despite poor weather, spawning results this season have shown an increase of 250% over the prior year. Water temperatures have increased during summer and it is expected that growth results will improve during the second half of this financial year.

Construction of new grow-out units was delayed due to the extreme wet weather during June to December 2022. These are currently being completed and are expected to be stocked in the next few weeks. Of the sixteen new ponds, ten have been constructed as "free-range" ponds with no pen infrastructure, resulting in a significant reduction in capital requirements.

The Company has continued to invest in the Aquana brand with pleasing results. Domestic and export demand for Aquana cod is very strong and prices have risen significantly since last year.

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 2022 of \$365,892 (31 December 2021: loss \$3,042,220.)

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 2022.

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 year ended 31 December 2022 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.



Ross Anderson
Chairman

27th February 2023

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

12 Anderson Street West, Ballarat VIC 3350

PO Box 685 Ballarat VIC 3353

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www.rsm.com.au

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 2022, 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 AUSTRALIA PARTNERS



JOHN FINDLAY

Partner

Ballarat, Victoria

Dated this 27th day of February 2023

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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

RSM Australia Partners ABN 36 965 185 036

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

		Consolidated Group	
		Half-year Ended 31-Dec-22	Half-year Ended 31-Dec-21
	Note	\$	\$
Revenue	3	6,053,724	4,842,582
Other Income	3	60,742	127,436
Net gain from change in fair value of biological assets		11,110,752	2,310,868
Adjustment to fair value of biological assets		(329,461)	-
Employee benefits expense		(3,449,425)	(2,496,329)
Cost of sales - equipment		(4,010)	-
Cost of sales - fish		(8,694,182)	(4,788,542)
Cost of sales - processing plant		(124,825)	(14,521)
Cost of sales - cattle		-	(14,681)
Administrative and other expenses		(965,318)	(872,008)
Fish farm operating expenses		(2,252,891)	(1,706,007)
Depreciation and amortisation expense		(948,932)	(712,633)
Share based payment expense		(745,774)	(639,332)
Net Loss before Income Tax	4	(289,600)	(3,963,167)
Tax expense	5	(76,292)	920,947
Net loss from continuing operations		(365,892)	(3,042,220)
Discontinued operations		-	-
Net Loss for the year after tax		(365,892)	(3,042,220)
Other comprehensive income		-	-
Total other comprehensive income for the period		-	-
Total Net Loss and other comprehensive income for the period attributable to Members		(365,892)	(3,042,220)

Earnings per share

From continuing and discontinued operations:

Basic earnings per share (cents)	(0.048) cents	(0.511) cents
Diluted earnings per share (cents)	(0.046) cents	(0.429) cents

From continuing operations:

Basic earnings per share (cents)	(0.048) cents	(0.511) cents
Diluted earnings per share (cents)	(0.046) cents	(0.429) cents

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		Consolidated Group	
		As at 31-Dec-22	As at 30-Jun-22
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	17,034,086	27,027,855
Trade and other receivables	7	916,953	651,123
Inventories	8	21,895,336	14,685,349
Other assets	9	658,913	392,330
TOTAL CURRENT ASSETS		40,505,288	42,756,657
NON-CURRENT ASSETS			
Other financial assets		103	103
Property, plant and equipment	10	40,054,905	36,068,339
Deferred tax assets	14	2,721,305	2,789,280
Right of use assets	20	5,245,011	5,510,197
Intangible assets	11	4,890,609	4,906,859
TOTAL NON-CURRENT ASSETS		52,911,933	49,274,778
TOTAL ASSETS		93,417,221	92,031,435
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,928,226	998,437
Lease liability	20	523,192	493,281
Borrowings	13	771,647	696,402
Provisions	15	519,864	418,216
TOTAL CURRENT LIABILITIES		3,742,929	2,606,336
NON-CURRENT LIABILITIES			
Lease liability	20	4,909,045	5,181,232
Borrowings	13	1,808,598	1,635,359
Deferred tax liabilities	14	6,225,602	6,221,347
TOTAL NON-CURRENT LIABILITIES		12,943,245	13,037,938
TOTAL LIABILITIES		16,686,174	15,644,274
NET ASSETS		76,731,047	76,387,161
EQUITY			
Issued capital		78,787,556	78,787,556
Reserves		18,315,462	17,605,684
Retained earnings		(20,371,971)	(20,006,079)
TOTAL EQUITY		76,731,047	76,387,161

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Share Capital		Retained Earnings	Reserves			TOTAL
		Ordinary	Deferred Ordinary Shares		Asset Revaluation Reserve	Option Reserve	Performance Rights Reserve	
Consolidated Group								
Balance at 1 July 2021		37,878,336	-	(11,256,894)	698,800	3,825,206	750,000	31,895,448
Profit or (loss) and other comprehensive income								-
Profit or (loss) for the year		-	-	(3,042,220)	-	-	-	(3,042,220)
Other comprehensive income for the year		-	-	-	-	-	-	-
Total profit or (loss) and other comprehensive income for the year		37,878,336	-	(14,299,114)	698,800	3,825,206	750,000	28,853,228
Other								
Shares issued during the year		33,239,550	-	-	-	-	-	33,239,550
Options exercised or lapsed		-	-	-	-	(623,847)	-	(623,847)
Options issued and expensed during the year						626,692		626,692
Transaction costs on share issue		(1,270,109)	-	-	-	-	-	(1,270,109)
Transfer unrealised gain on asset to Asset Revaluation Reserve		-	-	-	119,150	-	-	119,150
Total other		31,969,441	-	-	119,150	2,845	-	32,091,436
Balance at 31 December 2021		69,847,777	-	(14,299,114)	817,950	3,828,051	750,000	60,944,664
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		-	-	-	-	-	-	-
Total profit or (loss) and other comprehensive income for the year		78,787,556	-	(20,371,971)	14,918,796	2,686,888	-	76,021,269
Transactions with owners and other transfers								
Shares issued during the year		-	-	-	-	-	-	-
Transaction costs on share issue		-	-	-	-	-	-	-
Options exercised or lapsed		-	-	-	-	(103,791)	-	(103,791)
Options issued and expensed during the year						825,757		825,757
Transfer unrealised gain on asset to Asset Revaluation Reserve		-	-	-	(12,188)	-	-	(12,188)
Total other		-	-	-	(12,188)	721,966	-	709,778
Balance at 31 December 2022		78,787,556	-	(20,371,971)	14,906,608	3,408,854	-	76,731,047

The accompanying notes form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

		Consolidated Group	
		Half-year Ended 31-Dec-22	Half-year Ended 31-Dec-21
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and grants		5,147,720	3,837,947
Payments to suppliers and employees		(10,476,963)	(8,501,585)
Interest received		1,736	-
Net cash used in operating activities	17	(5,327,507)	(4,663,638)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of trademarks		-	(4,600)
Purchase of property, plant and equipment		(4,672,469)	(3,978,109)
Disposal of property, plant and equipment		-	8,036
Net cash used in investing activities		(4,672,469)	(3,974,673)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		-	32,626,870
Capital costs on issue of share capital		-	(1,270,108)
Proceeds from borrowings		606,424	3,634,792
Repayment of borrowings		(333,043)	(345,982)
Repayment of lease principal		(242,276)	(142,824)
Net cash provided by financing activities		31,105	34,502,748
Net (decrease)/ increase in cash held		(9,968,871)	25,864,437
Cash and cash equivalents at beginning of financial year		26,969,036	3,434,576
Cash and cash equivalents at the end of the period	6	17,000,165	29,299,013

The accompanying notes form part of these financial statements

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

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 27th February 2023 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 2022 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 2022, 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, but determined that their application to the financial statements is either not relevant or not material.

Note 2 : Changes in Accounting Policies

There has been no changes to accounting policies.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 3 Revenue and Other Income

		Consolidated Group	
		Half-year Ended	Half-year Ended
		31-Dec-22	31-Dec-21
	Note	\$	\$
Revenue from continuing operations			
Sales revenue			
- Fish Sales		6,034,192	4,683,497
- Cattle Sales		-	49,843
- Equipment Sales		-	1,300
		<u>6,034,192</u>	<u>4,734,640</u>
Other revenue			
- Interest received		9,977	-
- Insurance proceeds		9,555	41,193
- Sundry income		-	66,749
		<u>19,532</u>	<u>107,942</u>
Total revenue		<u>6,053,724</u>	<u>4,842,582</u>
Other Income			
- Subsidies and rebates		60,742	127,436
Total other income		<u>60,742</u>	<u>127,436</u>
Total revenue and other income		<u>6,114,466</u>	<u>4,970,018</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 4 Loss for the Year

		Consolidated Group	
		Half-year Ended	Half-year Ended
		31-Dec-22	31-Dec-21
	Note	\$	\$
Profit/(Loss) before income tax from continuing operations includes the following specific expenses:			
Expenses			
Interest Expense on Financial Liabilities			
- Related parties		-	-
- Unrelated parties		87,894	102,798
Total Finance Cost		87,894	102,798
Interest on Lease Liability		111,515	89,607
Depreciation and amortisation		683,747	544,984
Depreciation right of use asset		265,186	167,649
		948,933	712,633
Superannuation		286,455	193,678

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	Half-year Ended
		31-Dec-22	31-Dec-21
	Note	\$	\$
a) The components of tax expense (income) comprise:			
Current Tax			-
Deferred Tax	14	76,292	(920,947)
		76,292	(920,947)
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% (2021: 25%)		(72,400)	(990,792)
Add: Tax effect of			
- non-allowable items		196,204	166,769
- decrease in corporate tax rate		-	29,831
		123,804	(794,192)
Less: Tax effect of			
- deductible expenses capitalised on balance sheet or otherwise claimable		47,512	92,187
- income not assessable			14,240
- decrease in corporate tax rate		-	20,328
Income tax attributable to entity		76,292	(920,947)

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 6 Cash and Cash Equivalents

	Note	Consolidated Group	
		As at 31-Dec-22	As at 30-Jun-22
		\$	\$
Cash at bank and on hand		7,034,086	27,027,855
Short-term bank deposits		10,000,000	-
		<u>17,034,086</u>	<u>27,027,855</u>

The effective interest rate on short-term bank deposits was 0%.

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-22	Half-year Ended 31-Dec-21
Cash and cash equivalents		17,034,086	29,331,748
Credit Cards	13	<u>(33,921)</u>	<u>(32,735)</u>
		<u>17,000,165</u>	<u>29,299,013</u>

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

Note 7 Trade and Other Receivables

	Note	Consolidated Group	
		As at 31-Dec-22	As at 30-Jun-22
		\$	\$
CURRENT			
Trade receivables		911,603	626,072
Provision for impairment		<u>(27,044)</u>	<u>(10,910)</u>
		884,559	615,162
Other receivables		14,127	6,886
Business Activity Statement Refunds Receivable		<u>18,267</u>	<u>29,075</u>
Total current trade and other receivables		<u>916,953</u>	<u>651,123</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 8 Inventories

	Note	Consolidated Group	
		As at 31-Dec-22	As at 30-Jun-22
		\$	\$
CURRENT			
At cost:			
Fish Feed and Chemical Inventory		979,607	771,607
Livestock - Cattle		265,801	-
Processing Plant Inventory		96,918	159,909
Cage Building Stock and Parts		8,265	12,275
		<u>1,350,591</u>	<u>943,791</u>
At net realisable value:			
Biological Assets		20,544,745	13,741,558
Total Inventory		<u>21,895,336</u>	<u>14,685,349</u>

Biological Assets

	Note	Consolidated Group	
		As at 31-Dec-22	As at 30-Jun-22
		\$	\$
Biological Assets			
Murray Cod Broodstock		2,535,023	1,270,133
Murray Cod Fingerlings and Juveniles		7,750,871	2,291,291
Murray Cod Pond Fish		12,561,266	12,593,089
Golden Perch Fingerlings		394,000	-
Silver Perch Fingerlings		126,000	80,000
Less: Provision for Biological Assets		(2,822,415)	(2,492,955)
		<u>20,544,745</u>	<u>13,741,558</u>
Carrying amount at the beginning of the period		16,234,513	14,853,126
Purchases		-	1,040,907
Growing Costs		1,872,281	2,830,999
Decreases due to harvest for sale		(5,850,386)	(11,992,290)
Gain from physical changes at fair value		11,110,752	9,501,771
Carrying amount at the end of the period		<u>23,367,160</u>	<u>16,234,513</u>

Note 9 Other Assets

	Note	Consolidated Group	
		As at 31-Dec-22	As at 30-Jun-22
		\$	\$
CURRENT			
Prepayments and deposits		658,913	392,330
		<u>658,913</u>	<u>392,330</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 10 Property, Plant and Equipment

	Note	Consolidated Group	
		As at 31-Dec-22	As at 30-Jun-22
		\$	\$
LAND AND BUILDINGS			
Land and Buildings			
- at cost		1,666,519	-
- Independent valuation 2022		25,450,000	25,450,000
Total Land		<u>27,116,519</u>	<u>25,450,000</u>

The Group's land and buildings held at 30 June 2022 were revalued at 30 June 2022 by independent valuers.

BUILDINGS, PLANT & EQUIPMENT

Plant and equipment			
At cost		16,401,358	13,397,564
Accumulated depreciation		(3,656,128)	(3,015,552)
		<u>12,745,230</u>	<u>10,382,012</u>
At valuation		396,350	396,350
Accumulated depreciation		(203,194)	(160,023)
		<u>193,156</u>	<u>236,327</u>
Total Plant and Equipment		<u>12,938,386</u>	<u>10,618,339</u>
Total Property, Plant and Equipment		<u>40,054,905</u>	<u>36,068,339</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 11 Intangible Assets

	Consolidated Group	
	As at 31-Dec-22	As at 30-Jun-22
Note	\$	\$
Water Rights and Licences at Market Value	2,705,600	2,721,850
Trademarks & Intellectual property at Cost	71,842	71,842
Goodwill	2,113,167	2,113,167
Total Intangible Assets	4,890,609	4,906,859

	Goodwill	Water Rights & Licences	Trademarks & Intellectual Property
Year ended 30 June 2022			
Balance at the beginning of the year	2,113,167	2,585,250	61,850
Additions	-	-	9,992
Revaluation	-	136,600	-
Closing value at 30 June 2022	2,113,167	2,721,850	71,842
Half Year ended 31 December 2022			
Balance at the beginning of the year	2,113,167	2,721,850	71,842
Additions	-	-	-
Revaluation	-	(16,250)	-
Closing value at 31 December 2022	2,113,167	2,705,600	71,842

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 2022 year or the six months to 31 December 2022. The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 12 Trade and Other Payables

	Consolidated Group	
	As at 31-Dec-22	As at 30-Jun-22
Note	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	1,703,776	638,498
Sundry payables and accrued expenses	224,450	359,939
	<u>1,928,226</u>	<u>998,437</u>
Financial liabilities classified as trade and other payables		
Trade and other payables		
- Total current	1,928,226	998,437
- Total non-current	-	-
	<u>1,928,226</u>	<u>998,437</u>

Note 13 Borrowings

	Consolidated Group	
	As at 31-Dec-22	As at 30-Jun-22
Note	\$	\$
CURRENT		
Secured Liabilities		
Equipment Finance Facilities	737,726	637,583
Credit Card Facilities	33,921	58,819
	<u>771,647</u>	<u>696,402</u>
NON-CURRENT		
Secured Liabilities		
Equipment Finance Facilities	1,808,598	1,635,359
Westpac Bank Bill Loan	-	-
	<u>1,808,598</u>	<u>1,635,359</u>
Total Borrowings	<u>2,580,245</u>	<u>2,331,761</u>

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 14 Tax

	Consolidated Group	
	Half-year Ended 31-Dec-22	Half-year Ended 31-Dec-21
Note	\$	\$
CURRENT		
Income tax payable	-	-
	-	-
NON-CURRENT		
Deferred tax liabilities		
Property, Plant and equipment - tax allowance and revaluations		
Opening balance	6,221,347	528,521
Charged to income	8,318	106,489
Revaluations	(4,063)	-
Change in tax rates	-	(20,328)
Closing balance	6,225,602	614,682
Deferred tax assets		
Accrued expenses, provisions and carry forward losses		
Opening balance	2,789,280	775,601
Charged to income	(67,976)	1,036,939
Change in tax rates	-	(29,831)
Closing balance	2,721,304	1,782,709

Note 15 Provisions

	Consolidated Group	
	As at 31-Dec-22	As at 30-Jun-22
Note	\$	\$
CURRENT		
Employee Benefits		
Opening balance at 1 July	418,217	307,935
Additional provisions	101,647	110,282
Closing balance	519,864	418,217
Consolidated Group		
	As at 31-Dec-22	As at 30-Jun-22
	\$	\$
Analysis of Total Provisions		
Current	519,864	418,217
Non-current	-	-
	519,864	418,217

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 16 Contingent Liabilities and Contingent Assets

There were no contingent assets or liabilities outstanding at 31 December 2022 (30/6/22: nil)

Note 17 Cash Flow Information

	Note	Consolidated Group	
		Half-year Ended 31-Dec-22	Half-year Ended 31-Dec-21
		\$	\$
(a) Reconciliation of Cash Flows from Operating Activities with Loss after Income Tax			
Loss after income tax		(365,892)	(3,042,220)
Non-cash flows in loss			
Depreciation and Amortisation		948,933	712,633
Loss on disposal of plant		-	1,974
Share Based Payment		745,774	639,332
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
(Increase)/decrease in trade and term receivables		(265,830)	(775,305)
(Increase)/decrease in other assets		(288,236)	(330,182)
(Increase)/decrease in inventories		(7,209,986)	(2,192,117)
Increase/(decrease) in trade payables and accruals		929,790	1,210,102
Increase/(decrease) in deferred taxes payable		8,319	86,161
(Increase)/decrease in deferred taxes receivable		67,974	(1,007,108)
Increase/(decrease) in provisions		101,647	33,092
Cash flows from operating activities		<u>(5,327,507)</u>	<u>(4,663,638)</u>

Note 18 Events after the Reporting Period

No other significant events have occurred since balance date.

**MURRAY COD AUSTRALIA LIMITED ABN: 74 143 928 625
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

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.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

31 December 2022					
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements	Note	\$	\$	\$	\$
Inventory					
Inventory at fair value through profit or loss					
— Biological Assets - current		-	-	20,544,745	20,544,745
Total inventory recognised at fair value on a recurring basis		-	-	20,544,745	20,544,745
Non-financial assets					
Water Rights and licences		2,705,600	-	-	2,705,600
Total non-financial assets recognised at fair value on a recurring basis		2,705,600	-	-	2,705,600
Non-recurring fair value measurements					
Land and Buildings		-	25,450,000	-	25,450,000
Total non-financial assets recognised at fair value on a non-recurring basis		-	25,450,000	-	25,450,000
Total non-financial assets recognised at fair value		2,705,600	25,450,000	-	28,155,600

- (i) The Land and Buildings: "Silverwater" 563 Pinehope Road, GRONG GRONG NSW 2652, Farm 1444d, Bilbul Road, BILBUL NSW 2680 and 1795 Old Narrandera Road EUBERTA NSW 2650 were revalued during the 2022 Financial Year in accordance with the Valuations prepared at 30 June 2022 by LAWD, Level 17, 12 Creek Street, BRISBANE QLD 4000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

30 June 2022				
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements	Note	\$	\$	\$
Inventory				
Inventory at fair value through profit or loss				
— Biological Assets - current		-	-	13,741,558
Total inventory recognised at fair value on a recurring basis		-	-	13,741,558
Non-financial assets				
Water Rights and licences		2,721,850	-	2,721,850
Total non-financial assets recognised at fair value on a recurring basis		2,721,850	-	2,721,850
Non-recurring fair value measurements				
Land and Buildings		-	25,450,000	25,450,000
Total non-financial assets recognised at fair value on a non-recurring basis		-	25,450,000	25,450,000
Total non-financial assets recognised at fair value		2,721,850	25,450,000	28,171,850

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

Description	Fair Value (\$) at 31 Dec 2022	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	25,450,000		

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer.

- (i) 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 from the 30 June 2022 to 31 December 2022.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Note 20: Right of Use Assets

The Group's lease portfolio includes land and buildings. These leases have an average term of 11 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

	Note	Consolidated Group	
		As at 31-Dec-22	As at 30-Jun-22
		\$	\$
Right of Use Assets: Leased Land and Buildings			
Opening Balance		5,510,197	3,776,515
Leases commenced		-	2,204,868
Depreciation expense for the half-year ended		(265,186)	(471,186)
Net Carrying Amount		5,245,011	5,510,197
Current		-	-
Non-Current		5,245,011	5,510,197
Total		5,245,011	5,510,197
Lease Liabilities: Leased Land and Buildings			
Current		523,192	493,281
Non-Current		4,909,045	5,181,232
TOTAL		5,432,237	5,674,513
		Half-year Ended	Half-year Ended
		31-Dec-22	31-Dec-21
AASB 16 related amounts recognised in the statement of profit or loss			
Depreciation Charge related to right-of-use assets		265,186	167,649
Interest expense of lease liabilities		111,515	89,607

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

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

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the six months ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director

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

**Ross Anderson
Chairman**

Dated this 27th Day of February 2023

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 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the 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 2022 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 2022 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 27th day of February 2023

