	Note	2024 $	2023 $
Revenue and other income	5	25,508,062	25,966,649
Expenses			
Finance costs	6	(329,080)	(250,802)
Change in finished goods inventory		(2,271,191)	(600,065)
Changes in biological assets		(2,542,319)	1,617,854
Feed and consumables		(8,641,746)	(12,027,265)
Energy costs		(3,178,536)	(3,538,977)
Employee benefits expense		(12,932,895)	(12,505,056)
Depreciation and amortisation expense	7	(2,310,190)	(2,062,361)
Impairment of assets		(2,099,359)	(2,100,509)
Construction (costs)/reversal	8	(189,925)	3,538,183
Other Expenses	9	(10,324,883)	(13,393,553)
Loss before income tax expense		(19,312,062)	(15,355,902)
Income tax expense	10	-	-
Loss after income tax expense for the year		(19,312,062)	(15,355,902)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(19,312,062)	(15,355,902)
		Cents	**Cents**
Basic earnings per share	38	(0.40)	(0.32)
Diluted earnings per share	38	(0.40)	(0.32)

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

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	11	1,225,696	8,453,527
Trade and other receivables	12	5,845,577	5,468,207
Inventories	13	4,874,357	7,680,854
Biological assets	14	1,529,706	4,072,025
Other current assets	15	1,470,248	1,460,119
		14,945,584	27,134,732
Assets of disposal groups classified as held for sale	16	5,118,002	-
Total current assets		20,063,586	27,134,732
Non-current assets			
Property, plant and equipment	17	11,053,873	17,682,481
Right-of-use assets	18	615,574	381,690
Other financial assets	19	331,999	331,999
Total non-current assets		12,001,446	18,396,170
Total assets		32,065,032	45,530,902
Liabilities			
Current liabilities			
Trade and other payables	21	5,136,789	4,695,821
Borrowings	22	5,709,279	-
Lease liabilities	23	3,024,949	3,005,826
Employee benefits	24	1,337,398	1,121,223
Provisions	25	600,000	1,000,000
Total current liabilities		15,808,415	9,822,870
Non-current liabilities			
Lease liabilities	23	1,174,052	1,142,892
Employee benefits	24	216,310	366,264
Provisions	25	63,072	83,631
Total non-current liabilities		1,453,434	1,592,787
Total liabilities		17,261,849	11,415,657
Net assets		14,803,183	34,115,245
Equity			
Issued capital	26	300,316,736	300,316,736
Reserves	27	14,832,725	14,832,725
Accumulated losses		(300,346,278)	(281,034,216)
Total equity		14,803,183	34,115,245

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

Seafarms Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	300,316,736	14,832,725	(265,678,314)	49,471,147
Loss after income tax expense for the year	-	-	(15,355,902)	(15,355,902)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(15,355,902)	(15,355,902)
Balance at 30 June 2023	300,316,736	14,832,725	(281,034,216)	34,115,245

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	300,316,736	14,832,725	(281,034,216)	34,115,245
Loss after income tax expense for the year	-	-	(19,312,062)	(19,312,062)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(19,312,062)	(19,312,062)
Balance at 30 June 2024	300,316,736	14,832,725	(300,346,278)	14,803,183

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

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		24,897,014	25,523,543
Payments to suppliers		(34,408,130)	(45,251,068)
Payment to administrator for DOCA		-	(3,500,000)
		(9,511,116)	(23,227,525)
Interest received		32,120	48,440
Interest and other finance costs paid		(329,080)	(250,803)
Net cash used in operating activities	37	(9,808,076)	(23,429,888)
Cash flows from investing activities			
Payments for property, plant and equipment		(574,941)	(2,463,985)
Payments for security deposits		-	(331,999)
Proceeds from sale of assets		4,545	-
Net cash used in investing activities		(570,396)	(2,795,984)
Cash flows from financing activities			
Increase in borrowings		5,709,279	-
Repayment of lease liabilities		(2,558,638)	(1,516,130)
Net cash from/(used in) financing activities	37	3,150,641	(1,516,130)
Net decrease in cash and cash equivalents		(7,227,831)	(27,742,002)
Cash and cash equivalents at the beginning of the financial year		8,453,527	36,195,529
Cash and cash equivalents at the end of the financial year	11	1,225,696	8,453,527

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

Note 1. Basis of preparation	21
Note 2. Critical accounting judgements, estimates and assumptions	22
Note 3. Financial risk management	23
Note 4. Operating segments	25
Note 5. Revenue and other income	26
Note 6. Finance Costs	27
Note 7. Depreciation and amortisation	27
Note 8. PSD Construction costs	27
Note 9. Other Expenses	28
Note 10. Income tax expense	29
Note 11. Cash and cash equivalents	29
Note 12. Trade and other receivables	29
Note 13. Inventories	30
Note 14. Biological assets	31
Note 15. Other current assets	32
Note 16. Assets of disposal groups classified as held for sale	33
Note 17. Property, plant and equipment	33
Note 18. Right-of-use assets	36
Note 19. Other financial assets	38
Note 20. Deferred tax	39
Note 21. Trade and other payables	40
Note 22. Borrowings	40
Note 23. Lease liabilities	40
Note 24. Employee benefits	42
Note 25. Provisions	42
Note 26. Issued capital	43
Note 27. Reserves	44
Note 28. Dividends	44
Note 29. Key management personnel disclosures	45
Note 30. Remuneration of auditors	45
Note 31. Canstruct Legal Claim	45
Note 32. Contingent liabilities	46
Note 33. Related party transactions	46
Note 34. Parent entity information	47
Note 35. Interests in subsidiaries	48
Note 36. Events after the reporting period	48
Note 37. Reconciliation of loss after income tax to net cash used in operating activities	49
Note 38. Earnings per share	49
Note 39. Share-based payments	50

Note 1. Basis of preparation

These general purpose consolidated financial statements of Seafarms Group Limited ('Company' or 'Parent Entity') and its controlled entities ('Group') have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of biological assets. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, being the Group's functional and presentation currency, unless otherwise noted.

Seafarms Group Limited is a company, incorporated and domiciled in Australia. The Group is a for profit entity for the purpose of preparation of these financial statements.

Fair value measurement

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

These levels are classified as follows:
(a) Quote prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices (level 2); and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The only assets or liabilities measured at fair value on a recurring basis by the Group are biological asset (note 14). These fair value measurements fall within level 3 of the fair value hierarchy outlined above.

The carrying value of all of the Group's financial assets and financial liabilities approximate their fair value.

Going concern

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

For the year ended 30 June 2024, the Group incurred a net cash outflow from operating activities of $9,808,076 (2023: $23,429,888) and a net loss for the year of $19,312,062 (2023: loss of $15,355,902). As at 30 June 2024, the Group had net current assets of $4,255,171 (2023 $17,311,862), including $1,225,696 (2023 : $8,453,527) cash and cash equivalents.

As noted in the subsequent events note (note 36), the sale of Farms 1 and 2 became unconditional during August and on 20th August as part of the sale transaction the Group received an advance $7,560,000 from Mainstream to be repaid out of the settlement proceeds of $13,500,000. The balance of the settlement proceeds of $5,960,000 will be received on 30 April 2025.

In addition, the Company has agreed, subject to shareholder approval, the terms of $7,000,000 convertible note facility with Avatar Finance Pty Ltd which will have an expiry of 30th June 2025. This facility will be put to shareholders for approval at the Annual General Meeting in November 2025 and will replace the current $7,000,000 revolving credit facility.

Note 1. Basis of preparation (continued)

Given the ongoing use of cash resources to develop and secure financing for Project Sea Dragon the Group continues to have an operating cash out flow. Accordingly, the ability of the Company and the Group to continue as a going concern is dependent on its ability to raise further finance. In particular it depends on the Company and Group's ability to undertake one or more of the following:

- raise project finance (equity and/or debt) for Project Sea Dragon Pty Ltd;
- successfully defend the legal case brought by Canstruct to overturn the Deed of Company Arrangement;
- complete and receive contractual cash flows for the sales of farm 1 and 2 as disclosed in note 16 and note 36.

There are uncertainties in achieving these and in achieving planned operating performance over the next 12 months. However, in light of the cash available at 30 June 2024 and the proceeds to be received from the sale of Farms 1 and 2, the Directors are of the opinion that the Company and the Group will continue to operate as a going concern and therefore the accounts have been prepared on a going concern basis. No adjustments have been made to the financial statements relating to the recoverability and classification of assets carrying amounts or the amounts and classification that might be necessary should the Company and the Group not continue as a going concern.

Whilst the directors believe that the above initiatives will generate sufficient funds to enable the Group to continue as a going concern for a period of at least 12 months from the date of signing the financial report, should these initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.

New or amended Accounting Standards and Interpretations

There are a number of new accounting standards, interpretations and amendments that have been issued but are not yet effective. The new accounting standards, interpretations and amendments that are relevant to the activities of the Group are not expected to have a material impact on the financial statements of the Group in the period of initial application. The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

The Group has applied all new accounting standards and interpretations with effect from 1 July 2023, however none of the new standards or interpretations had a material impact on the financial statements of the Group.

Material accounting policy information

Material accounting policy information is disclosed in the notes to the financial statements to which that information relates.

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Rounding of amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Critical accounting estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed in the notes to the financial statement are set out below.

Allowance for expected credit losses on trade & other receivables
Estimates relating to allowance for expected credit losses on trade & other receivables are disclosed at note 12.

Biological assets
Estimates relating to biological assets are disclosed at note 14.

Estimation of useful lives of property, plant & equipment
Estimates relating to estimation of useful lived of property plan & equipment are disclosed at note 17.

Impairment of non-financial assets
Estimates relating to impairment assessment over non-financial are disclosed at note 17.

Measurement of right-of-use asset and lease liability - Legune Station
Estimates relating to measurement of right-of-use asset and lease liability - Legune Station are disclosed at note 23.

Rehabilitation provision
Estimates relating to rehabilitation provision are disclosed at note 25.

Canstruct Legal Claim
Estimates relating to Canstruct legal claim are disclosed in note 31.

Note 3. Financial risk management

The Group's activities may expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures, as management considers this unnecessary given the nature and size of the Group's operations.

Financial assets	**Note**	**2024 $**	**2023 $**
Financial assets at amortised cost			
Cash and cash equivalents	11	1,225,696	8,453,527
Trade and other receivables	12	5,845,577	5,468,207
		7,071,273	13,921,734

Financial liabilities	**Note**	**2024 $**	**2023 $**
Financial liabilities at amortised cost			
Trade and other payables	21	5,136,789	4,695,821
Borrowings	22	5,709,279	-
		10,846,068	4,695,821

Note 3. Financial risk management (continued)

Market risk
(i) Price risk
Exposure
Management has assessed the sensitivity of the profit or loss to price changes as being immaterial.

(ii) Cash flow and fair value interest rate risk
Sensitivity
Management has assessed the sensitivity of the profit or loss to higher/lower interest rates applied to cash and cash equivalents and other financial assets, as being immaterial.

As at the end of the reporting period, the Group had the following variable rate deposits:

Interest rate exposure risk
The Group's only material exposure to interest rate risk is on the variable rate borrowings. At 30 June 2024, the Group had total variable rate borrowings of $4,750,000 (2023: $nil) as set out in note 22.

At 30 June 2024, if interest rates changed by +/- 1% from the year-end rates, with all other variables remaining constant, the after-tax profit/loss for the year would be $47,500 lower/higher.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, a means of mitigating the risk of financial loss from defaults. The Group 's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded are spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the audit committee annually. The Group measures credit risk on a fair value basis.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses or credit enhancement, represents the Group ’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Risk management

Wholesale customers of prawns and related products are subject to trade credit insurance. Credit limits are set by the insurer and are not exceeded. There have been no bad debts or claims on the insurance policy during the year.

The Group has Trade Credit Insurance in place until 31 May 2025, which has insured indemnity of 90% with a maximum insured amount of $1.54 million.

Note 3. Financial risk management (continued)

Trade receivables	**2024 $**	**2023 $**
Counterparties without external credit rating *		
Group 1	-	-
Group 2	1,939,651	1,373,693
Group 3	12,967	-
	1,952,618	1,373,693

* Group 1 - new customers (less than 6 months)
Group 2 - existing customers (more than 6 months) with no defaults in the past
Group 3 - existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Liquidity risk

The Group manages liquidity risk by maintaining reserves, banking facilities and reserve borrowing facilities by monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
The Group does not have access to undrawn borrowing facilities at the end of the reporting period (2023: $Nil).

Maturities of financial and lease liabilities
The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 Months $	6 - 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Total contractual cash flows $	Carrying amount liabilities $
At 30 June 2024						
Trade and other payables	5,136,789	-	-	-	5,136,789	5,136,789
Lease Liabilities	2,011,653	1,400,789	1,097,678	131,292	4,641,412	4,199,001
Borrowings	5,746,463	-	-	-	5,746,463	5,709,279
	12,894,905	1,400,789	1,097,678	131,292	15,524,664	15,045,069
At 30 June 2023						
Trade and other payables	4,695,821	-	-	-	4,695,821	4,695,821
Lease Liabilities	1,982,259	1,310,038	889,433	304,100	4,485,830	4,148,718
	6,678,080	1,310,038	889,433	304,100	9,181,651	8,844,539

Note 4. Operating segments

The Group is organised into a single operating segment "Aquaculture" which is represented by the consolidated financial statements and related notes of the Group.

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

During the year ended 30 June 2024 approximately $18,622,740 (2023: $17,613,603) of the Group's external revenue was derived from sales to a national retailer.

Note 4. Operating segments (continued)

Revenues from external customers split between domestic $23,656,198 (2023: $25,430,296) and export $1,738,679 (2023: $773,466) sales. Export sales were made to New Zealand and The Netherlands.

The Group has no non-financial non-current assets located outside of Australia.

Note 5. Revenue and other income

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

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

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

Sale of goods

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

	2024 $	2023 $
Revenue from contracts with customers		
Sales Fresh	14,613,425	14,546,320
Sales Frozen	10,518,752	11,315,404
Other sales revenue	262,700	773
	25,394,877	25,862,497
Other income		
Finance income	32,120	48,439
Other income	81,065	55,713
	113,185	104,152
Revenue and other income	25,508,062	25,966,649

Note 6. Finance Costs

	2024 $	2023 $
Interest and finance charges	968	8,410
Interest on lease liabilities	328,112	242,392
Finance costs expensed	329,080	250,802

Note 7. Depreciation and amortisation

	2024 $	2023 $
Buildings	461,955	338,241
Ponds	395,976	395,987
Plant and equipment	1,198,839	986,792
Leasehold improvements	-	516
Buildings right-of-use assets	154,073	214,533
Plant and equipment right-of-use assets	99,347	126,292
Total Depreciation	2,310,190	2,062,361

Note 8. PSD Construction costs

Critical judgements in applying Group accounting policies - Project Sea Dragon capitalisation policy

The Group incurred costs associated with Project Sea Dragon (PSD). Due to the uncertainties related to the sourcing of funding to complete the project, the Group has determined that all pre-development costs are currently being expensed and no costs are capitalised.

PSD is a proposed, large-scale, integrated, land-based prawn aquaculture project being developed in Northern Australia. PSD is designed to be a staged development of up to 10,000 hectares of prawn production ponds, supported by a series of geographically separate facilities across Northern Australia.

Planned Stage 1a of the PSD includes the Legune Grow-out Facility and would see land-based production ponds at Legune Station in the Northern Territory as well as the development of the necessary facilities at the other sites (Exmouth and Bynoe). There has been significant expenditure incurred on the Project and the Board has considered how to account for the capital expenditures and taking into account the principles established by the accounting standards and how these might be applied.

Costs that do not meet the capitalisation criteria have been expensed and recognised in the consolidated statement of comprehensive income.

Current ongoing costs associated with PSD relate to the continued development of its breeding program and specific pathogen-free animals at its Exmouth facility, the retention and maintenance of the core site construction and indigenous relations personnel, restructuring the construction project to mitigate the escalation of construction costs, maintenance and updates of capital cost estimates, maintenance of various licenses, leases and statutory obligations, defense of the ongoing Canstruct litigation and other minor operations costs.

Note 8. PSD Construction costs (continued)

	2024 $	2023 $
Mobilisation costs	915	23,198
Construction Consultants & Engineering costs	102,700	34,215
Project Management Costs	57,913	765,373
Temporary camp & accommodation costs	-	79,625
Founder Stock Centre (Exmouth)	29,499	1,049,486
Hatchery Site (Bynoe Harbour)	16,381	107,726
Other indirect construction costs	382,517	525,205
Provision for construction liabilities	-	4,257,310
Reversal of liability exposure	-	(11,380,321)
Rehabilitation provision (reversal)/expense	(400,000)	1,000,000
Total PSD Construction Costs	189,925	(3,538,183)

Note 9. Other Expenses

	2024 $	2023 $
Consultants and professional fees	859,031	1,756,896
Legal fees	1,344,301	1,553,533
Insurance	1,789,702	1,592,691
Freight	1,126,190	1,296,290
Research expense	95,343	73,708
Travel expense	539,632	551,297
Logistics	128,978	309,008
Repairs and maintenance	944,941	1,357,218
Loss on disposal of asset	46,489	-
Hire equipment	429,852	549,775
Rent	160,141	109,036
Sales and marketing	511,927	733,850
Other Expenses	2,348,356	2,934,100
Voluntary administration costs	-	576,151
	10,324,883	13,393,553

Note 10. Income tax expense

	2024 $	2023 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(19,312,062)	(15,355,902)
Tax at the statutory tax rate of 25%	(4,828,016)	(3,838,976)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	1,247	2,318
	(4,826,769)	(3,836,658)
Movement of deferred tax assets not recognised	(980,849)	(3,617,671)
Tax losses not recognised	5,807,618	7,454,329
Income tax expense	-	-

Note 11. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 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.

	2024 $	2023 $
Current assets		
Cash at bank	1,225,696	8,040,630
Cash on deposit	-	412,897
	1,225,696	8,453,527

Note 12. Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables represent receivables in respect of which the Group’s right to consideration is unconditional subject only to the passage of time. Trade receivables are non-derivative financial assets measured at amortised cost. A gain or loss on trade and other financial assets that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The credit period for the majority of trade receivables ranges from current to 90 days with the average being 30 days. In determining the recoverability of a trade receivable, the Group used the expected credit loss model as per AASB 9.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Note 12. Trade and other receivables (continued)

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024 or 30 June 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Critical accounting estimates - Expected credit losses on trade and other receivables

The determination of the expected credit loss on trade and other receivable relies on the Group to exercise judgment. In respect of trade receivables the Group takes out debtors insurance and has assessed the residual risk of credit loss not covered by insurance to be negligible. In respect of other receivables, where the amount to be received is subject to certain conditions the Group assesses the likelihood of those conditions being met. Where those conditions are unlikely to be met the Group will create a provision for expected loss.

	2024 $	2023 $
Current assets		
Trade receivables	1,952,618	1,373,693
Less: Allowance for expected credit losses	-	-
	1,952,618	1,373,693
Other receivables	3,690,371	3,689,800
Loans to employees	33,664	30,878
	3,724,035	3,720,678
GST receivable	168,924	373,836
	5,845,577	5,468,207

Other receivables includes $3,500,000 relating to the DOCA which is held in trust by the administrators, Refer to *note 31* for more details.

Trade receivables past due, not impaired

As of 30 June 2024, trade receivables of $294,743 (2023: $374,332) were past due but not impaired.

	2024 $	2023 $
0 to 3 months overdue	249,792	276,206
3 to 6 months overdue	44,951	98,126
	294,743	374,332

Note 13. Inventories

Agricultural produce harvested from the Group's biological assets is measured at its fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying AASB 102 *Inventories.*

Inventory is stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 13. Inventories (continued)

	2024 $	2023 $
Current assets		
Finished goods - at cost	3,231,201	5,502,392
Feed and consumables - at cost	1,643,156	2,178,462
	4,874,357	7,680,854

Finished goods are harvested prawns from the Group's aquaculture operations in North Queensland.

Feed and consumables relate wholly to the Group's aquaculture operations.

Note 14. Biological assets

Prawn livestock is carried at fair value. Fair value is the amount which could be expected to be received from the sale of the livestock in an orderly transaction between market participants.

In the absence of an active and liquid market fair value is determined in accordance with a Directors' valuation using the present value of expected net cash flows from the prawn livestock discounted at a current market-determined rate. The expected net cash flows take into account a number of assumptions including the survival rate, harvest average body weight, average market price, discount rate and average production cost per kilogram. The net cash flows include harvesting costs and freight costs to market.

The change in estimated fair value of prawn livestock is recognised in the profit or loss in the reporting period and is classified separately.

The prawn livestock with a weight of less than 1 gram (including all hatchery stock), is carried at historic cost as an estimate of fair value given that little or no biological transformation has taken place. Cost includes all of the costs associated with the production of the livestock.

Domesticated broodstock is carried at replacement cost. Replacement cost is the expected cost to replace the number of broodstock required to produce sufficient post larvae to meet stocking requirements.

Critical accounting estimates - Biological assets

As referred to in the accounting policy above the fair value of biological assets is estimated using a cash flow model which incorporates a number of assumptions. Management is required to exercise significant judgement in estimating the underlying cash flows where those assumptions are not based on observable market data ('Level 3' inputs). The most significant assumptions requiring management judgement are in respect of the survival rate, harvest average body weight, average market price, discount rate and average production cost per kilogram until harvest-ready.

Livestock	2024 $	2023 $
Opening Balance	4,072,025	2,454,171
Gain arising from changes in fair value less estimated costs to sell	19,455,207	20,738,586
Transferred to inventories	(21,997,526)	(19,120,732)
Closing Balance	1,529,706	4,072,025

The closing balance of $1,529,706 (2023: $4,072,025) comprises the hatchery live crop of $200,000 (2023: $500,000) measured at current replacement cost. The residual balance represents live prawns measured at fair value less costs to sell.

Note 14. Biological assets (continued)

Valuation processes

The Group's finance team performs the valuations of the Group's biological assets for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit and risk committee (ARC). Discussions of valuation processes and results are held between the CFO and the ARC at least once every six months, in line with the Group's half-yearly reporting requirements.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Survival rate, harvest average body weight and average production cost per kilogram is determined based on actual rates achieved over the last 6-12 months.
- Prawn market prices are based on active liquid market prices achieved over the last 3-6 months.
- Discount rate is determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Changes in level 3 inputs and fair values are analysed at the end of each reporting period during the half-yearly valuation discussion between the CFO and ARC. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Sensitivity Analysis - Biological Assets

Based on the market prices and weights used at 30 June 2024, with all other variables held constant, the Group's profit for the period would change as follows:

- A pricing increase/decrease of 1% would have been a change of $29,631 higher/lower;
- A feed price increase/decrease of 1% would have been a change of $7,313 lower/higher;
- A weight increase/decrease of 1% would have been a change of $23,419 higher/lower.

Risk management strategies for biological assets

The Group is exposed to risks arising from environmental and climatic changes and market prices. These risks are not specifically quantified but form part of the overall assessment of the appropriate discount rate adopting for valuing the live crop.

The Group has strong operating procedures to prevent and mitigate the impact of disease and environmental risks.

The Group is exposed to some risks arising from fluctuations in the price and demand of prawn. To mitigate those risks the Group continues to focus on producing a high quality product that is well sought after in the market. Where appropriate the Group will also enter into supply contracts.

Note 15. Other current assets

	2024 $	2023 $
Current assets		
Prepayments	1,199,514	1,370,205
Security deposits	270,734	89,914
	1,470,248	1,460,119

Note 16. Assets of 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.

	2024 $	2023 $
Current assets		
Property, plant and equipment	5,118,002	-

Assets held for sale

Assets held for sale reflects the carrying values of assets identified in the sale of farm 1 and farm 2 assets to Mainstream Aquaculture Property Pty Ltd as announced to ASX on 20 June 2024.

The Group announced that it had entered in agreement for the sale of Farm 1 and Farm 2 at Cardwell for $13,500,000 plus GST subject to a number of conditions. These conditions were satisfied on 16 August 2024 and the sale will settle on 30 April 2025. The purchase price includes the land on which Farms 1 and 2 are located and all the assets associated with those farms including plant & equipment and leases but excluding the processing building and plant & equipment. Farm 3 and the hatchery were not part of the transaction.

Note 17. Property, plant and equipment

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Freehold Buildings	10 - 50 years
Ponds	10 - 50 years
Plant and equipment	2 - 15 years
Leasehold improvements	Length of lease
Vehicles	3 - 5 years
Furniture, fittings and equipment	5 years

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 Group. Gains and losses between the carrying amount and the disposal proceeds are taken to income statement.

Note 17. Property, plant and equipment (continued)

Non-current assets pledged as security

The Group has provided a mortgage over Lot 166 on Crown Plan CWL3563 & Lot 183 on Crown Plan CWL3484 to a third party investor when entering into the Legune lease agreement.

Impairment of non-financial assets

Assets are tested 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.

Critical accounting estimates - Useful lives

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. 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.

	Freehold Land $	Freehold buildings $	Ponds $	Plant and equipment $	Leasehold Improvements $	Assets under construction $	Total $
As at 1 July 2022							
Cost	2,010,000	5,000,198	7,919,543	18,628,173	32,997	13,500,829	47,091,740
Impairment	-	-	-	(1,448,480)	(12,984)	(13,500,829)	(14,962,293)
Subtotal	2,010,000	5,000,198	7,919,543	17,179,693	20,013	-	32,129,447
Accumulated depreciation	-	(998,020)	(2,910,028)	(11,261,870)	(19,497)	-	(15,189,415)
	2,010,000	4,002,178	5,009,515	5,917,823	516	-	16,940,032
Year ended 30 June 2023							
Opening WDV	2,010,000	4,002,178	5,009,515	5,917,823	516	-	16,940,032
Additions	-	1,237,097	-	1,226,888	-	-	2,463,985
Depreciation charge	-	(338,241)	(395,987)	(986,792)	(516)	-	(1,721,536)
Impairment	-	-	-	-	-	-	-
Closing WDV	2,010,000	4,901,034	4,613,528	6,157,919	-	-	17,682,481
At 30 June 2023							
Cost	2,010,000	6,237,295	7,919,543	19,855,061	32,997	13,500,829	49,555,725
Impairment	-	-	-	(1,448,480)	(12,984)	(13,500,829)	(14,962,293)
Subtotal	2,010,000	6,237,295	7,919,543	18,406,581	20,013	-	34,593,432
Accumulated depreciation	-	(1,336,261)	(3,306,015)	(12,248,662)	(20,013)	-	(16,910,951)
	2,010,000	4,901,034	4,613,528	6,157,919	-	-	17,682,481

Note 17. Property, plant and equipment (continued)

	Freehold Land $	Freehold buildings $	Ponds $	Plant and equipment $	Leasehold Improvements $	Assets under construction $	Total $
As at 1 July 2023							
Cost	2,010,000	6,237,295	7,919,543	19,855,061	32,997	13,500,829	49,555,725
Impairment	-	-	-	(1,448,480)	(12,984)	(13,500,829)	(14,962,293)
Subtotal	2,010,000	6,237,295	7,919,543	18,406,581	20,013	-	34,593,432
Accumulated depreciation	-	(1,336,261)	(3,306,015)	(12,248,662)	(20,013)	-	(16,910,951)
Net book value	2,010,000	4,901,034	4,613,528	6,157,919	-	-	17,682,481
Year ended 30 June 2024							
Opening WDV	2,010,000	4,901,034	4,613,528	6,157,919	-	-	17,682,481
Additions	-	171,583	-	403,359	-	-	574,942
Transfer to assets held for sale - cost	(900,000)	(579,637)	(4,476,256)	(5,730,205)	-	-	(11,686,098)
Transfer to assets held for sale - accumulated depreciation	-	292,544	1,994,002	4,303,807	-	-	6,590,353
Disposal at WDV	-	-	-	(51,035)	-	-	(51,035)
Transfers	-	-	-	-	-	-	-
Depreciation charge	-	(461,955)	(395,976)	(1,198,839)	-	-	(2,056,770)
Closing WDV	1,110,000	4,323,569	1,735,298	3,885,006	-	-	11,053,873
As at 30 June 2024							
Cost	1,110,000	5,829,240	3,443,288	14,205,630	32,997	13,500,829	38,121,984
Impairment	-	-	-	(1,448,480)	(12,984)	(13,500,829)	(14,962,293)
Subtotal	1,110,000	5,829,240	3,443,288	12,757,150	20,013	-	23,159,691
Accumulated depreciation	-	(1,505,673)	(1,707,989)	(8,872,143)	(20,013)	-	(12,105,818)
Net book value	1,110,000	4,323,567	1,735,299	3,885,007	-	-	11,053,873

Note 17. Property, plant and equipment (continued)

Impairment testing

Critical accounting estimates - Impairment of non-financial assets

Determining whether the other non-current assets are impaired requires an estimation of fair value less cost of disposal on a cash generating unit basis. The fair value less cost of disposal calculation requires the directors to estimate the fair value less costs of disposal of the assets in an arms length transaction between willing and knowledgeable parties. If the estimated fair value less cost of disposal is lower than the carrying value of the asset an impairment loss may arise.

Queensland aquaculture CGU ('QLDAQ')

As at 30 June 2024 the carrying value of property, plant and equipment for the Queensland Aquaculture cash-generating-unit ("CGU") was $10,307,267 (2023: $16,749,492). No impairment was necessary for QLDAQ in either 2024 or 2023.

Management's approach and the key assumptions used to determine the CGU's FVLCOD in FY2024 were as follows:

CGU	Unobservable inputs	2024	2023	Approach in determining key assumptions
QLDAQ	Cost of disposal	5%	5%	Estimated based on the company's experience with disposal of assets and on industry benchmarks
	Sales price per hectare	$62,000 to $91,000	$62,000 to $91,000	Based on an independent valuation of the properties.

PSD aquaculture CGU ('PSDAQ')

The Group has considered whether the PSD Work-in-progress assets would be impaired as required by AASB 136 *Impairment of Assets* in light of the Project currently being incomplete and construction at Legune and Bynoe Harbour is on hold. The Group has determined that in light of these factors and that future funding for the project is uncertain that the assets should be fully impaired.

As a result of this assessment, a total impairment charge of $14,962,293 was recognised as at 30 June 2022. All subsequent expenditure on Project Sea Dragon has been expensed as incurred.

Note 18. Right-of-use assets

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

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

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

Note 18. Right-of-use assets (continued)

	Leasehold Land $	Leased buildings $	Leased plant and equipment $	Total $
As at 1 July 2022				
Cost	21,624,847	1,987,408	1,212,282	24,824,537
Impairment and remeasurement	(19,048,840)	(681,694)	(28,134)	(19,758,668)
Subtotal	2,576,007	1,305,714	1,184,148	5,065,869
Accumulated depreciation	(2,576,007)	(1,305,714)	(1,089,448)	(4,971,169)
Net book value	-	-	94,700	94,700
Year ended 30 June 2023				
Opening WDV	-	-	94,700	94,700
Additions	2,100,509	487,650	140,165	2,728,324
Depreciation charge	-	(214,533)	(126,292)	(340,825)
Impairment	(2,100,509)	-	-	(2,100,509)
Closing WDV	-	273,117	108,573	381,690
As at 30 June 2023				
Cost	23,725,356	2,475,058	1,352,447	27,552,861
Impairment and remeasurement	(21,149,349)	(681,694)	(28,134)	(21,859,177)
Subtotal	2,576,007	1,793,364	1,324,313	5,693,684
Accumulated depreciation	(2,576,007)	(1,520,247)	(1,215,740)	(5,311,994)
Net book value	-	273,117	108,573	381,690

	Leasehold land $	**Leased buildings $**	**Leased plant and equipment $**	**Total $**
As at 1 July 2023				
Cost	23,725,356	2,475,058	1,352,447	27,552,861
Impairment and remeasurement	(21,149,349)	(681,694)	(28,134)	(21,859,177)
Subtotal	2,576,007	1,793,364	1,324,313	5,693,684
Accumulated depreciation	(2,576,007)	(1,520,247)	(1,215,740)	(5,311,994)
Net book value	-	273,117	108,573	381,690

Note 18. Right-of-use assets (continued)

Year ended 30 June 2024				
Opening WDV	-	273,117	108,573	381,690
Additions	2,099,359	124,219	385,343	2,608,921
Transfer to assets held for sale - cost	-	-	(872,886)	(872,886)
Transfer to assets held for sale - accumulated depreciation	-	-	850,628	850,628
Depreciation charge	-	(154,073)	(99,347)	(253,420)
Impairment	(2,099,359)	-	-	(2,099,359)
Closing WDV	-	243,263	372,311	615,574
As at 30 June 2024				
Cost	25,824,715	2,599,277	864,904	29,288,896
Impairment and remeasurement	(23,248,708)	(681,694)	(28,134)	(23,958,536)
Subtotal	2,576,007	1,917,583	836,770	5,330,360
Accumulated depreciation	(2,576,007)	(1,674,320)	(464,459)	(4,714,786)
Net book value	-	243,263	372,311	615,574

Lease - Legune station
As stated in note 23, a modification of the term of the Legune Station lease was required as a result of a change in the non-cancellable period of the lease. This resulted in an increase in the lease liabilities by $2,099,359 and an addition to the right of use assets by the same amount. The right of use asset has been fully impaired given that project financing for Project Sea Dragon has not yet been obtained.

Note 19. Other financial assets

	2024 $	2023 $
Non-current assets		
Loan to AAM Licensees Pty Ltd	-	5,000,000
Expected loss on non-current loan	-	(5,000,000)
Secured assets pledged as security	331,999	331,999
	331,999	331,999

The loan to AAM Licensees Pty Ltd was provided on 12 December 2018, interest free.

As disclosed in note 23, the receivable forms part of the series of arrangements in relation to Legune, repayment of the loan was dependent on a number of factors one of which being the financial close of Stage 1 of PSD of 1120ha by December 2023. The milestone was not met as a result the receivable was derecognised. As this has been full provided for in prior years, there is no impact of derecognition on the profit and loss.

Cash not available for use

$133,920 (2023: $133,920) is held as security for bank facilities and office lease guarantees.

Note 20. Deferred tax

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.

	2024 $	2023 $
Non-current assets		
Deferred tax asset comprises temporary differences attributable to:		
Fair value	190,156	154,868
Work in progress	11,457,572	11,457,572
Provisions	1,820,818	404,585
Accruals	-	622,921
Borrowings	-	1,250,000
Other deductible expenses	1,557,298	2,327,969
Depreciable assets	994,662	691,445
Accrued interest	-	253,425
Lease assets and liabilities	911,625	965,911
Prepayments	-	(227,928)
Unpaid super	2,953	15,166
Net deferred tax assets	16,935,084	17,915,934
Deferred tax balances not recognised	(16,935,084)	(17,915,934)
Deferred tax asset	-	-
Movements:		
Opening balance	-	-
Total for the year	(980,849)	(3,617,671)
Amount of deferred tax assets not recognised	980,849	3,617,671
Closing balance	-	-

Unrecognised tax losses

As at balance date, the Group has not recognised the following deferred tax assets in respect of unused tax losses:

	2024 $	2023 $
Tax losses (revenue in nature)	45,614,624	41,069,326
Tax Losses (capital in nature)	1,043,060	2,195,589

Note 21. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	3,758,888	3,252,700
PAYG Payable	114,426	109,822
Accruals	961,565	1,089,249
Other payables	301,910	244,050
	5,136,789	4,695,821

Note 22. Borrowings

	2024 $	2023 $
Current liabilities		
Unsecured liability		
Loan - Avatar Finance Pty Ltd	4,750,000	-
Secured liability		
Insurance Premium Funding	959,279	-
	5,709,279	-

On 18 April 2024, the Group entered into a Revolving Credit Agreement with Avatar Finance Pty Ltd. The total amount available under this facility was $3,000,000 with an interest rate equal to the Reserve Bank rate, The facility was repayable on 1st September 2024.

The facility was extended to $7,000,000 subsequent to 30 June 2024. Refer note 36 for details.

The Group has decided to use Insurance Premium Funding through Arteva Funding for the current year to maximise cash reserves for operations. Repayments are on a monthly basis with final payment due in January 2025. Normal commercial insurance funding terms apply to this secured facility.

Note 23. Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis.

The lease payments are discounted using the interest implicit in the lease. If the rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in similar economic environment with similar terms and conditions.

Lease are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Note 23. Lease liabilities (continued)

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 5 years.

Extension and termination options, and residual value guarantees are included in a number of property and equipment leases of the Group . The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Some property and equipment lease payments contain variable lease payments that are linked to consumer price index and are included in the calculations of right-of-use assets and lease liabilities in relation to these leases.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

	2024 $	2023 $
Current liabilities		
Lease liability	3,024,949	3,005,826
Non-current liabilities		
Lease liability	1,174,052	1,142,892
	4,199,001	4,148,718

Critical accounting estimates - Measurement of right-of-use asset and lease liability - Legune Station

The Group entered into a series of agreements in relation to the Legune land lease arrangement. The Group considered these agreements as linked to ensure the substance of the arrangement is considered and accounted for as one transaction.

The estimation, at the inception of the lease, of the items outlined below required significant management judgement:
- The likelihood that the purchase option will be exercised;
- The likelihood of extending the lease contract beyond the period of the first and second break clauses at 30 years and 60 years or exercising the ability to terminate the lease before financial close has been reached on Project Sea Dragon respectively;
- The depreciation period / method; and
- The incremental borrowing rate and the impact of this rate on the discounted amount of the lease liability as well as the right to use asset.

Due to the significant review of Project Sea Dragon the management reassessed the lease term for the Legune Station lease at 30 June 2022. At that time termination of the lease was possible from December 2023, provided written notice of intention to terminate was provided to the landlord at least 6 months prior to the anniversary date of the lease (which falls in December). Management assessed that it was no longer reasonably certain to continue the lease for its originally assessed lease term of 30 years and consequently reassessed the lease term to approximately 18 months from June 2022.

As publicly stated, Project Sea Dragon will not proceed until adequate project financing has been obtained. However the Group continues to meet its obligations under the Legune Station lease. As at 30 June 2024, the Group had not elected to exercise its termination right under the lease and consequently, at balance date the earliest possible termination date was December 2025. Accordingly, the lease term has been reassessed to approximately 18 months from 30 June 2024. The attaching right of use asset was fully impaired given the funding has not yet been obtained.

Note 24. Employee benefits

	2024 $	2023 $
Current liabilities		
Annual leave	948,769	810,351
Long service leave	388,629	310,872
	1,337,398	1,121,223
Non-current liabilities		
Long service leave	216,310	366,264
	1,553,708	1,487,487

Note 25. Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

	2024 $	2023 $
Current liabilities		
Provision for rehabilitation	600,000	1,000,000
Non-current liabilities		
Lease make good	63,072	83,631
	663,072	1,083,631

Critical accounting estimates - Rehabilitation provision

The rehabilitation provision relies on an estimate of the cost of rehabilitating the Project Sea Dragon sites. The Group uses judgment in
(i) assessing the extent of work required to be agreed with relevant stakeholders;
(ii) developing a detailed scope of work to be undertaken to achieve the agreed work; and
(iii) estimating the costs of performing that work. In estimating the cost of undertaking the work the Group will take into consideration quoted costs for undertaking similar work.

The balance of rehabilitation provisions as at 30 June 2024 of $600,000 (2023: $1,000,000) is an estimate of the cost of rehabilitating Project Sea Dragon project sites. This liability would only become payable in the event that the Group no longer proceeded to develop Project Sea Dragon on those sites.

Critical accounting estimates - Make good provision for leased premises

The Group is required to restore the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the assets.

Note 25. Provisions (continued)

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2024	Rehabilitation provision $	Make good provision $	Provision for construction liabilities $	Total $
Carrying amount at start of year	1,000,000	83,631	-	1,083,631
- provisions no longer required	(400,000)	(20,559)	-	(420,559)
Carrying amount at end of period	600,000	63,072	-	663,072

2023	Rehabilitation provision $	Make good provision $	Provision for construction liabilities $	Total $
Carrying amount at start of year	-	134,900	8,730,094	8,864,994
- additional provisions recognised	1,000,000	-	4,257,310	5,257,310
- recognised in current liabilities	-	-	(1,607,083)	(1,607,083)
- provisions no longer required	-	(51,269)	(11,380,321)	(11,431,590)
Carrying amount at end of period	1,000,000	83,631	-	1,083,631

As at 30 June 2022 the Group provisioned the sum of $8,730,094 for the claims against Project Sea Dragon Pty Limited (PSD) by Canstruct with respect to construction work for Project Sea Dragon. The directors expressly noted that the provision was not an acknowledgement of debt. After completion of the 2022 Annual Report the directors received independent advice that the entire claim by Canstruct could be validly disputed by PSD. The directors formed the view that the provision previously recognised at 30 June 2022 was to be reversed in the comparative financial year, after consideration of relevant facts and other information pertaining to this dispute as further detailed in note 31.

Note 26. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	4,836,599,179	4,836,599,179	300,316,435	300,316,435
Convertible preference shares - fully paid	30,150,190	30,150,190	301	301
	4,866,749,369	4,866,749,369	300,316,736	300,316,736

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 26. Issued capital (continued)

Convertible preference shares
The convertible preference shares were issued at $0.00001. To convert to fully paid ordinary shares each holder is required to pay $0.06499. Conversion can occur at any time at the election of the holders. Conversion of convertible preference shares may only be made in multiples of 1,000 convertible preference shares at a conversion ratio of 1 convertible preference share to 1 fully paid ordinary share. There is no debt component linked to the convertible preference shares and no maturity date.

The convertible preference shares have limited voting rights as described in ASX Listing Rule 6.3 and are entitled to the payment of a dividend equal to one hundred thousandth of any dividends declared in respect of ordinary shares and such dividend will rank in priority over ordinary shares for payment. Dividends on convertible preference shares will not be cumulative.

Options
Unlisted options
On 12 December 2018, the Company issued 30,000,000 unlisted share options to AAM Investment Partners as part of the Legune lease transaction. The options have an exercise period of 5 years from 12 December 2018 to 12 December 2023 at an exercise price of $0.097 per unlisted option. During the current year these unlisted options were not exercised prior to expiry and therefore lapsed during the year.

On 24 August 2021, the Company issued 1,447,806,216 unlisted options. Of these options, 225,000 were exercised and converted to shares in FY22. The options were issued to equity investors at nil consideration, thus no fair value has been assessed. The balance of the 1,447,581,216 options expired 13 August 2024. The exercise price of the options is $0.0975.

All options expired on 13 August 2024 un-exercised.

Note 27. Reserves

	2024 $	2023 $
Financial assets at fair value through other comprehensive income reserve	(24,740)	(24,740)
Share-based payments reserve	13,186,761	13,186,761
Options reserve	1,670,704	1,670,704
	14,832,725	14,832,725

Nature and purpose of other reserves

Share-based payments
The share-based payments reserve is used to recognise:
- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees
- the issue of shares held by the Seafarms Employee Share Trust to employees
- the grant date fair value of options issued to third parties but not exercised.

Option premium
The option premium represents the fair value of 47,734,412 Seafarms Group Limited options issued historically.

Financial assets at fair value through other comprehensive income reserve
Changes in the fair value of financial assets are taken to the financial assets revaluation reserve.

Note 28. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 29. Key management personnel disclosures

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

	2024 $	2023 $
Short-term employee benefits	1,821,536	1,579,729
Post-employment benefits	97,547	81,651
Long-term benefits	(2,419)	6,170
	1,916,664	1,667,550

Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Pitcher Partners, the auditor of the Group :

	2024 $	2023 $
Audit services - Pitcher Partners		
Audit or review of the financial statements	168,000	180,000

Note 31. Canstruct Legal Claim

The Group's wholly owned subsidiary, Project Sea Dragon Pty Limited (PSD), entered into a Deed of Company Agreement (DOCA) with Shaun McKinnon, Andrew Fielding (as the deed Administrators) and Seafarms Group Limited as the Proponent.

The DOCA was executed on 23 March 2023 and a Deed of Rectification was executed shortly after on the 24 March 2023. Under the terms of the DOCA, SFG paid an amount to the Administrator (DOCA Funds) to settle payments to creditors of PSD and reimburse the Company for certain post administration payments made on behalf of PSD.

Before the Administrator was able to disburse the DOCA Funds Canstruct Pty Ltd (who is a creditor to PSD) sought to have the DOCA terminated and was granted an injunction by the court preventing the Administrator disbursing those funds until the case was determined. This case was heard in the Federal Court in August 2023 with a decision made in February 2024 finding in favour of Canstruct to set aside the DOCA and place PSD into liquidation. Seafarms appealed that decision and the execution of the court order to place PSD into liquidation was stayed until the appeal could be heard and determined.

That appeal was heard by the Full Court of the Federal Court in August 2024. No time frame has been provided for when a judgment may be handed down.

The Group has prepared the accounts on that basis that PSD will not go into liquidation and the DOCA funds distributed per the terms of that DOCA. This is a more conservative accounting approach with DOCA funds being distributed to creditors including the Company.

In the event the Federal Court gives an order for PSD to be placed into liquidation then the DOCA Funds will be returned to the Company, and funds to be distributed to creditors would be dependent on the value realised for PSD assets less liquidator fees with SFG being the largest creditor. It is expected that the value realised by SFG through a liquidation would be greater than the written down value of assets in PSD as recognised in the Group's consolidation accounts.

Note 32. Contingent liabilities

Secured liabilities and assets pledged as security

The Group has been required to provide guarantee facilities of $198,079 (2023: $198,079) in respect of office leases and a guarantee of $133,920 (2023:$133,920) in favour of Great Barrier Reef Marine Parks. The Group maintains term deposits with the bank to secure these facilities which are classified as other financial assets on the consolidated statement of financial position.

Note 33. Related party transactions

Parent entity
Seafarms Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 29 and the remuneration report included in the directors' report.

Loans to/from related parties
The following transactions occurred with related parties:

Loan from Avatar Finance Pty Ltd	**2024** **$**	**2023** **$**
Funds advanced during the year	4,750,000	-

The terms and conditions of repayment of the loan are disclosed in note 22.

The facility from Avatar Finance Pty Ltd prior to the new arrangements was provided on commercial terms and conditions and at market rates and is to be repaid on 1 September 2024.

The facility at 30 June 2024 carries a variable Interest rate applicable to the Reserve Bank of Australia (RBA) rate and varies from time to time.

The facility was extended to $7,000,000 subsequent to 30 June 2024. Refer note 36 for details.

Avatar Finance Pty Ltd is an entity controlled by a director, Mr Trahar.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 34. Parent entity information

The financial information for the Parent entity, Seafarms Group Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries
Investments in subsidiaries are accounted for at cost less impairment in the consolidated financial statements of Seafarms Group Limited. Dividends received from subsidiaries are recognised in the Parent entity's profit or loss when its right to receive the dividend is established.

(ii) Financial guarantees
Where the Parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Statement of comprehensive income	2024 $	2023 $
Loss for the period	(19,312,062)	(18,201,659)

Statement of financial position	2024 $	2023 $
Current assets	5,871,016	10,639,718
Non-current assets	16,923,215	25,389,931
	22,794,231	36,029,649
Current liabilities	(7,456,550)	(1,306,162)
Non-current liabilities	(534,498)	(608,242)
	(7,991,048)	(1,914,404)
Net Assets	14,803,183	34,115,245
Shareholders' equity		
Issued Capital	300,306,107	300,306,107
Reserves	14,857,465	14,857,465
Accumulated losses	(300,360,389)	(281,048,327)
Total equity	14,803,183	34,115,245

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The Parent entity has guaranteed the obligations of Project Sea Dragon Pty Limited under the agreement for the lease of the Legune property as well as operational expenses and costs under the Federal Court order dated 9 May 2024.

Contractual commitments for the acquisition of property, plant or equipment
As at 30 June 2024 and 30 June 2023, the Parent entity had no contractual commitments for the acquisition of property, plant or equipment.

Note 35. Interests in subsidiaries

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	2023 %
Seafarms Operations Pty Limited (formerly Seafarms Operations Limited)	Australia	100.00%	100.00%
Seafarm Hinchinbrook Pty Ltd	Australia	100.00%	100.00%
Project Sea Dragon Pty Ltd	Australia	100.00%	100.00%
Marine Harvest Australia Pty Ltd	Australia	100.00%	100.00%
Marine Farms Pty Ltd	Australia	100.00%	100.00%
PSD Construction Employment Pty Ltd	Australia	100.00%	100.00%
Seafarm Queensland Pty Ltd	Australia	100.00%	100.00%
PSD Operations Employment Pty Ltd	Australia	100.00%	100.00%
Project Sea Dragon Finance Pty Ltd	Australia	100.00%	100.00%
PSD Infrastructure Co Pty Ltd	Australia	100.00%	100.00%
Sea Dragon Shrimp Pty Ltd	Australia	100.00%	100.00%
CO2 T'EE Employee Share Plan Pty Ltd	Australia	100.00%	100.00%

Note 36. Events after the reporting period

Sale of Farm 1 and Farm 2

On 20 June 2024, the Group announced that it had entered in agreement for the sale of Farm 1 and Farm 2 at Cardwell for $13,500,000 plus GST subject to a number of conditions. These conditions were satisfied on 16 August 2024 and the sale will settle on 30 April 2025. The purchase price includes the land on which Farms 1 and 2 are located and all the assets associated with those farms including plant & equipment and leases but excluding the processing building and plant & equipment. Farm 3 and the hatchery were not part of the transaction.

The property plant & equipment that is being sold is reflected in current assets as 'Assets of disposal groups classified as held for sale' at note 16.

On settlement a gain of $8,381,998 will be recognised less the transaction costs of the sale, less any completion adjustments (if any) and plus the value of the lease and right to subdivide the land on which the processing plant site is located. The value of the processing plant site has yet to be determined and will be based on an assessment of the market value of the right to use that site for 20 years for a peppercorn rent and the value of the right to subdivide that land and own it as freehold without further payments other than third party costs to effect the subdivision.

As part of sale transaction Mainstream agreed to provide a loan of $7,560,000 to Seafarm Queensland Pty Limited to be repaid on settlement of the sale and secured by the assets being sold. The loan funds of $7,560,000 were drawn down by Seafarm Queensland on 20 August 2024.

Avatar Finance Pty Ltd Facility

On 20 August a variation to the Avatar Revolving Credit Agreement was executed with the facility limit increased to $7,000,000 and the interest rate amended to BBSY 30 days plus 4%. The expiry date extended to 7 days after the Annual General Meeting.

Unlisted Options

The 1,447,581,216 unlisted options at year end expired on 13 August 2024. All options expired on 13 August 2024 un-exercised.

Note 37. Reconciliation of loss after income tax to net cash used in operating activities

	2024 $	2023 $
Loss after income tax expense for the year	(19,312,062)	(15,355,902)
Adjustments for:		
Depreciation and amortisation	2,310,190	2,062,361
Impairment of right-of-use assets	2,099,359	2,100,509
Net loss on disposal of non-current assets	46,489	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(377,370)	(4,100,735)
Increase in Other current assets	(10,128)	(140,874)
Decrease/(increase) in biological assets	2,542,319	(1,617,854)
Decrease in inventories	2,806,497	525,199
Increase in trade and other payables	440,968	776,695
Increase/(decrease) in current employee benefits	216,175	(228,471)
Increase/(decrease) in non current employee benefits	(149,954)	330,546
Decrease in other provisions	(400,000)	(7,740,402)
Decrease in non current provisions	(20,559)	(40,960)
Net cash used in operating activities	(9,808,076)	(23,429,888)

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from Financing activities.

	Opening Balance 1 July 2023 $	Cash movement $	Non-cash movement $	Closing Balance 30 June 2024
Borrowings (note 22)	-	5,709,279	-	5,709,279
Lease liabilities (note 23)	4,148,718	(2,558,638)	2,608,921	4,199,001
	4,148,718	3,150,641	2,608,921	9,908,280

	Opening Balance 1 July 2022 $	Cash movement $	Non-cash movement $	Closing Balance 30 June 2023
Lease liabilities (note 23)	2,936,523	(1,516,130)	2,728,325	4,148,718

Note 38. Earnings per share

	2024 $	2023 $
Loss per share from continuing operations attributable to the ordinary equity holders of the Company	(19,312,062)	(15,355,902)

Note 38. Earnings per share (continued)

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	4,836,599,179	4,836,599,179
	Cents	**Cents**
Basic earnings per share	(0.40)	(0.32)
Diluted earnings per share	(0.40)	(0.32)

Note 39. Share-based payments

Share based compensation payments are provided to employees in accordance with the "Seafarms Group Employee Incentive Plan".

	2024		2023	
	Weighted average exercise price (cents per unit)	Number of Shares options	Weighted average exercise price (cents per unit)	Number of Shares options
Outstanding at beginning of the year	-	-	7.15	100,000,000
Forfeited during the year*	-	-	7.15	(100,000,000)
Outstanding at the end of the year	-	-	-	-

These options were forfeited when the relevant employees ceased being an employee of the Group. The terms and conditions relating to these options are contained in the Seafarms Group Employee Incentive Plan as approved by shareholders at the AGMs held on 1 February 2016, 25 November 2016 and 15 December 2020.