WEST COAST AQUACULTURE

WEST COAST AQUACULTURE GROUP LTD

ACN 637 883 848

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

West Coast Aquaculture Group Ltd
Corporate directory
30 April 2021

Directors	Ching Hoe Neo - Chief Executive Officer and Executive Chairman Teik Hon Chin - Chief Operations Officer Yaw Foi Chan - Chief Financial Officer Stuart Laurence Niven - Non-Executive Director Lee Ping Chong - Non-Executive Director James Barrie - Non-Executive Director (appointed 17 November 2020)
Company secretary	Elizabeth Bee Hiang Lee
Registered office	Level 3, 257 Collins Street Melbourne, Victoria Australia 3000
Principal place of business	Lot 709, Taman Nilam, Belanga Pecah Kuah 07000 Langkawi, Malaysia
Auditor	HLB Mann Judd (Victoria Partnership) Level 9, 575 Bourke Street, Melbourne VIC 3000
Solicitors	Neo Legal Level 9, 276 Flinders Street Melbourne, Victoria Australia 3000
Stock exchange listing	West Coast Aquaculture Group Ltd shares are listed on the Sydney Stock Exchange (Code: 833)
Website	https://www.wcoastfish.com/
Share registry	Automic Group Deutsche Bank, Tower Level 5/126 Phillip St, Sydney NSW 2000

West Coast Aquaculture Group Ltd
Chairman's letter
30 April 2021

West Coast Aquaculture Group Limited has registered a milestone in its history in the year that has just ended. Notwithstanding the challenges faced by the Company during the year, importantly we have continued to progress with achieving our business objectives, including:

- Successfully raising over A$5 million through the issuance of new ordinary shares in an IPO;
- Listing on the Sydney Stock Exchange (SSX) in November 2020;
- Advancing discussions and analysis of a potential acquisition of a hatchery and/or nursery business to enable greater control over production costs and volume;
- Expanding the number of HDPE round cages to 12, with 4 more scheduled for the second quarter of 2021/22;
- Continued investment in research and development which has led to improvements to the mortality rates and saleability of our fish stocks; and
- Diversification of the Company’s revenue base following the successful trial ranging of a new frozen fish sales channel.

The Covid-19 Pandemic has caused unprecedented economic disruptions and many businesses were brought to a standstill. Our group is not exempted from this disruption and had caused the group to register a loss of A$1,775,215 after tax for the last financial year.

Due to Covid-19 Pandemic, Malaysia imposed a lockdown starting 18 March 2020 to 12 May 2020 where movements of people were severely restricted, followed by controlled lockdown to 6 June 2020 wherein eateries were only permitted to provide take-away. Limited people movements and limited dine-in patrons were then allowed until 31 Dec 2020. From January 2021 to time of reporting, most part of Malaysia was under full lockdown status.

During this year, our normal overseas customers were also not arriving to pick up fish as their vessels were not permitted to enter Malaysian water.

Against this challenging backdrop, our group managed to record a sales revenue of A$3,974,507. The lower sales were attributable to the low export sales especially in the second half year.

While the economic prospects continue to be influenced by the spread of Covid-19, we have taken steps to mitigate the effects on our performance. We have started on the production of whole frozen fish, fish fillet and steak-cut fish each vacuum-packed for distribution to consumers both directly and via supermarkets. We have managed to broaden our domestic market base and are optimistic of further capturing a bigger share of the live fish market, especially restaurants. We are also emphasizing on training our employees with better skills and knowledge on our operations.

While visibility on the end of the Covid-19 pandemic is limited, we are hopeful that the ongoing vaccination program would bring back some form of normality and result in improved economic outlook for 2022. Nevertheless, 2022 remains challenging with management vigilantly monitoring the landscape brought on by the Covid-19 Pandemic.

I wish to thank the board and management team for their effort and hard work to sustain through this pandemic. Finally, I thank all the shareholders and stakeholders for your confidence and continued support to the group.

Ching Hoe Neo
Chief Executive Officer

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of West Coast Aquaculture Group Ltd (referred to hereafter as the 'company' or 'parent entity') and the entity it controlled at the end of, or during, the year ended 30 April 2021.

Directors

The following persons were directors of West Coast Aquaculture Group Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ching Hoe Neo (Mark)
Teik Hon Chin
Yaw Foi Chan
Stuart Laurence Niven
Lee Ping Chong
James Barrie - Non-Executive Director (appointed 17 November 2020)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Grow up – purchase fingerlings or juvenile fish, and farm them to marketable size in Langkawi, Malaysia.
- Sales and distribution – sell the fish to wholesale and retail customers once they reach commercial size.
- Completion of the company's listing on the SSX in November 2020.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $1,775,215 (30 April 2020: profit of $53,720).

At 30 April 2021 the consolidated entity had net asset of $4,670,881 (2020: $2,306,977) and a net working capital surplus of $4,769,601 (2020: $1,884,383).

Refer to the Chairman's letter which is directly precedes this Directors' report.

Significant changes in the state of affairs

On 24 November 2020, the company officially listed on the Sydney Stock Exchange upon successful completion of its initial public offering (IPO). Under the offering the company issued 10,056,482 fully paid ordinary shares valued at 50 cents per share, raising $5,028,241 before costs.

Matters subsequent to the end of the financial year

On 1 June 2021, Malaysia went into a two week lock down in response to an increase in COVID-19 in that country. Management continue to monitor the situation and its impact on the consolidated entity's performance.

On 9 June 2021, the company announced it had onboarded Langkawi Seafood Marketing ("LSM") as a distributor for their live and frozen fish. LSM will help the consolidated entity to distribute its fish throughout the central Malaysian Region.

No other matter or circumstance has arisen since 30 April 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

The consolidated entity operates in Malaysia where it is subject to environmental regulation. There have been no breaches of these regulations during the year ended 30 April 2021.

Information on directors

Name:	Ching Hoe Neo (Mark)
Title:	Chief Executive Officer and Executive Chairman
Experience and expertise:	Co-Founder of West Coast Aquaculture Group and was appointed to the Board of Directors of West Coast Aquaculture (M) Sdn Bhd on 3 February 2018. Upon the completion of his secondary education, Mark started working at a printing company as Production Supervisor, and was involved with attending to high-tech printing machines, monitoring printing quality and manpower arrangement for different production line to ensure production is on schedule. In 1995, he ventured into the human resources industry and founded Right Pristine ManPro Sdn Bhd (“Right Pristine ManPro”) and AP Venture Provision Sdn Bhd (“AP Venture Provision”). With over 25 years of experience in the business sector, Mark plays a key leadership role in the company guiding its strategic vision, its operational expansion and customer relations.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	15,000,000 fully paid ordinary shares

Name:	Yaw Foi Chan
Title:	Chief Financial Officer and Executive Director
Experience and expertise:	Yaw Foi is a qualified Management Accountant with the Chartered Institute of Management Accountant (CIMA) and has over 20 years’ experience in accounting and finance. His role includes setting up West Coast Group departments and establishing costing standards, setting up and monitoring inventory control systems, budget preparation and variance analysis, setting products selling price, maintaining financial books, liaising with external auditors and tax advisors, deal with banks on facilities and trade instruments, evaluate capital expenditures and monitoring returns, as well as guide and advise management on decisions to achieve set targets.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	Nil

Name:	Teik Hon Chin
Title:	Chief Operations Officer and Executive Director
Experience and expertise:	Co-Founder of West Coast Group with 12 years’ experience in fish farming operations and was appointed to the Board of Directors of West Coast Aquaculture (M) Sdn Bhd on 30 May 2016. Chin’s role extends to the marine environment and fish performance from fingerlings to harvest. He has been responsible for West Coast’ Group's production increases and improved fish production. Chin is well recognized for farming innovation in Langkawi and his extensive knowledge of aquaculture is the foundation on which WCA’s success is built on.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	10,000,000 fully paid ordinary shares

Name:	Lee Ping Chong
Title:	Non-Executive Director (appointed 5 December 2019)
Experience and expertise:	Ping is a solicitor and Partner of Baldock Stacy & Niven Parramatta, Solicitors and Notaries. She was educated in Malaysia, at the Institute of Chartered Secretaries and Administrators (ICSA) in the United Kingdom and in Australia. Prior to working in law, Ping worked in the banking industry in Australia. Ping practices in both the property and business areas helping companies and individuals in small, medium and large businesses in Australia and Asia. Ping was appointed as a notary public by the Supreme Court of NSW, Australia in 2007.
Other current directorships:	
Former directorships (last 3 years):	
Special responsibilities:	Member of the Nomination and Remuneration Committee, and Member of the Audit and Risk Committee
Interests in shares:	

Name:	Stuart Laurence Niven
Title:	Non-Executive Director (appointed 5 December 2019)
Experience and expertise:	Stuart is a solicitor and a Partner of Baldock Stacy & Niven Parramatta, Solicitors and Notaries. He was educated at the King's School Parramatta, Australia and the University of Sydney, Australia. Stuart's law practice is largely in the commercial and business area helping companies and individuals in small, medium and large businesses throughout Australia. Stuart was appointed as a notary public by the Supreme Court of NSW, Australia in 2007.
Other current directorships:	
Former directorships (last 3 years):	
Special responsibilities:	Chairman of Nomination and Remuneration Committee and member of the Audit and Risk Committee
Interests in shares:	

Name:	James Barrie
Title:	Non-Executive Director (appointed 17 November 2020)
Qualifications:	James is qualified CPA and graduate of the Australian Institute of Company Directors, he holds a Diploma of Investor Relations from AIRA and a business degree,
Experience and expertise:	James Barrie is a professional Director and Company Secretary with significant commercial experience in all facets of company corporate endeavours. His Key skills include corporate governance, company secretarial, share registry, employee plans, treasury, capital management, accounting, commercial analysis, stakeholder relations, sales, business development, IPO's and mergers & acquisitions. James has more than 20 years' experience across a diverse range of industries including disruptive technology, financial services, pharmaceuticals/healthcare, resources, e-commerce, recycling, retail and the not-for-profit sector.
Other current directorships:	a2a GN Ltd (NSX: A2A).
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of Risk & Audit Committee, Member of Nomination & Remuneration Committee
Interests in shares:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Elizabeth Bee Hiang Lee holds a Bachelor of Business majoring in Finance and Business Law from Edith Cowan University, a Graduate Diploma in Corporate Governance from Governance Institute of Australia, a Graduate Diploma in Corporate Governance for ASX Listed Entities from Kaplan Financial Institute and is a Fellow member of the Governance Institute of Australia. She has held the role of Company Secretary since 5 December 2019. Elizabeth has over 20 years of experience in the areas of corporate governance and company secretarial functions. She was previously the Company Secretary of Phosphate Resources Ltd, MacMahon Holdings Ltd, Corporate Compliance Partners and Lend Lease Primelife Ltd.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 April 2021, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Ching Hoe Neo	3	3	-	-
Yaw Foi Chan	3	3	-	-
Teik Hon Chin	2	3	-	-
Lee Ping Chong	3	3	3	3
Stuart Laurence Niven	3	3	3	3
James Barrie	3	3	1	1

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including all directors. Chan Huan Tai and Khor Chin Dee are directors of the company’s subsidiary and are also included as KMP of the consolidated entity.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the consolidated entity depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act at the time of the Directors retirement or termination.

The total maximum remuneration of non-executive Directors is initially set by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the SSX Listing Rules, as applicable and is subsequently varied by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the SSX Listing Rules. The determination of non-executive Directors remuneration within that maximum will be made by the Remuneration and Nomination Committee having regard to the inputs and value to the Company of the respective contributions by the non executive Directors. The current amount has been set at an amount not to exceed $60,000 per annum.

Executive remuneration
In determining the level and make-up of executive remuneration, the Remuneration and Nomination Committee negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration has been compared with the external market by participation in industry salary surveys and during recruitment activities generally.

The remuneration framework is solely comprised of fixed remuneration, retirement benefits and short term cash bonuses.

Bonuses paid
The bonuses paid to Malaysian key management personnel are paid at the discretion of the board and are not based on benchmarked KPIs. The bonuses paid in the current year reflect compensation for the additional work performed in relation to the company's listing.

Use of remuneration consultants
During the financial year ended 30 April 2021, the consolidated entity did not make use of remuneration consultants.

Voting and comments made at the company's 29 September 2020 Annual General Meeting ('AGM')
At the 29 September 2020 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 April 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

2021	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: EPF /Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Stuart Laurence Niven *	8,732	-	-	-	-	-	8,732
Lee Ping Chong *	8,732	-	-	-	-	-	8,732
James Barrie *	8,732	-	-	-	-	-	8,732
Executive Directors:							
Ching Hoe Neo **	13,196	3,299	-	1,979	-	-	18,474
Teik Hon Chin **	33,650	3,629	-	4,473	-	-	41,752
Yaw Foi Chan **	39,588	8,248	-	1,913	-	-	49,749
Other Key Management Personnel:							
Chan Huan Tai **	29,031	3,299	-	4,262	-	-	36,592
Chin Dee Khor **	13,196	3,299	-	1,979	-	-	18,474
	154,857	21,774	-	14,606	-	-	191,237

* Non-executive directors were not entitled to fees until the company was listed on the SSX

** The bonuses paid in the current year reflect compensation for the additional work performed in relation to the company's listing.

5 Dec 2019 to 30 Apr 2020	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: EPF /Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Total $
Executive Directors:							
Teik Hon Chin	14,200	2,088	-	1,954	-	-	18,242
Yaw Foi Chan	16,707	1,392	-	724	-	-	18,823
Other Key Management Personnel:							
Chan Huan Tai	10,024	-	-	1,203	-	-	11,227
	40,931	3,480	-	3,881	-	-	48,292

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2021	5 Dec 2019 to 30 Apr 2020	2021	5 Dec 2019 to 30 Apr 2020	2021	5 Dec 2019 to 30 Apr 2020
Non-Executive Directors:						
Lee Ping Chong	100%	-	-	-	-	-
Stuart Niven	100%	-	-	-	-	-
James Barrie	100%	-	-	-	-	-
Executive Directors:						
Teik Hon Chin	91%	89%	9%	11%	-	-
Yaw Foi Chan	84%	93%	16%	7%	-	-
Ching Hoe Neo	82%	-	18%	-	-	-
Other Key Management Personnel:						
Chan Huan Tai	91%	100%	9%	-	-	-
Khor Chin Dee	82%	-	18%	-	-	-

Khor Chin Dee did not receive remuneration in the prior period

Service agreements

The service agreements with all board members came into effect when the company successfully completed its listing on the Sydney Stock Exchange in November 2020.

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

Name:	Ching Hoe Neo (Mark)
Title:	Chief Executive Officer and Executive Chairman
Term of agreement:	His annual renumeration package comprises a base salary of RM120,000 per annum, plus Malaysian statutory pension obligations.
Name:	Teik Hon Chin
Title:	Chief Operations Officer and Executive Director
Term of agreement:	His annual renumeration package comprises a base salary of RM102,000 per annum, plus Malaysian statutory pension obligations.
Name:	Yaw Foi Chan
Title:	Chief Financial Officer and Executive Director
Term of agreement:	His annual renumeration package comprises a base salary of RM120,000 per annum, plus Malaysian statutory pension obligations.
Name:	Lee Ping Chong
Title:	Non-Executive Director
Term of agreement:	Under the Constitution and corporate governance rules, the Remuneration Committee decides the total amount paid to each Director as renumeration for their services as a director to West Coast Aquaculture. Group. Annual non-executive Directors' fees currently agreed to be paid by West Coast Aquaculture Group are $20,000 per annum.
Name:	Stuart Laurence Niven
Title:	Non-Executive Director
Term of agreement:	Under the Constitution and corporate governance rules, the Remuneration Committee decides the total amount paid to each Director as renumeration for their services as a director to West Coast Aquaculture Group . Annual non-executive Directors' fees currently agreed to be paid by West Coast Aquaculture Group are $20,000 per annum.

Name:	James Barrie
Title:	Non-Executive Director
Term of agreement:	Under the Constitution and corporate governance rules, the Remuneration Committee decides the total amount paid to each Director as remuneration for their services as a director to West Coast Aquaculture Group . Annual non-executive Directors' fees currently agreed to be paid by West Coast Aquaculture Group are $20,000 per annum.

There are no formal service agreements in place with the directors of the company's Malaysian subsidiary.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 April 2021.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 April 2021.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 April 2021.

Additional information
The earnings of the consolidated entity since incorporation are summarised below:

	2021 $	2020 $
Sales revenue	3,974,507	2,219,406
Profit / (loss) after income tax	(1,775,215)	53,720

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020
Share price at financial year end ($) *	0.50	-
Basic earnings per share (cents per share)	(1.64)	0.07
Diluted earnings per share (cents per share)	(1.64)	0.07

* The company was listed on the SSX on 24 November 2020.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held directly and/or indirectly during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions shares	Disposals	Balance at the end of the year
Ordinary shares				
Teik Hon Chin	10,000,000	-	-	10,000,000
Ching Hoe Neo	15,000,000	-	-	15,000,000
Khor Chin Dee	15,000,000	-	-	15,000,000
Chan Huan Tai *	20,000,000	-	-	20,000,000
	60,000,000	-	-	60,000,000

* Share are held by his wife Joe Yee Neo

Other transactions with key management personnel and their related parties
Refer to note 27 for details of other transactions with key management personnel and their related parties.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of West Coast Aquaculture Group Ltd under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of West Coast Aquaculture Group Ltd issued on the exercise of options during the year ended 30 April 2021 and up to the date of this report.

Indemnity and insurance of officers
The company has not indemnified the directors and executives of the consolidated entity for costs incurred, in their capacity as a director or executive.

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

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

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

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of HLB Mann Judd
There are no officers of the company who are former partners of HLB Mann Judd.

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

Auditor
HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Ching Hoe Neo
Chief Executive Officer and Executive Chairman

30 June 2021

Auditor's independence declaration

As lead auditor for the audit of the consolidated financial report of West Coast Aquaculture Group Ltd and its controlled entity for the year ended 30 April 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to the West Coast Aquaculture Group Ltd and the entity it controlled during the year.

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
30 June 2021

General information

The financial statements cover West Coast Aquaculture Group Ltd as a consolidated entity consisting of West Coast Aquaculture Group Ltd and the entity it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is West Coast Aquaculture Group Ltd's functional and presentation currency.

West Coast Aquaculture Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 3, 257 Collins Street Melbourne, Victoria Australia 3000	Lot 709, Taman Nilam, Belanga Pecah Kuah 07000 Langkawi, Malaysia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 June 2021. The directors have the power to amend and reissue the financial statements.

West Coast Aquaculture Group Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 April 2021

	Note	Consolidated 2021 $	5 Dec 2019 to 30 Apr 2020 $
Revenue	5	3,974,507	2,219,406
Change in fair value of biological assets	12	264,914	388,676
Expenses			
Cost of sales		(5,117,270)	(2,168,192)
Regulatory affairs expenses		(203,680)	(30,420)
Consultation expenses		(49,560)	(84,936)
Administration expenses		(457,741)	(206,164)
Selling and distribution		(65,465)	-
Finance costs	6	(141,989)	(56,518)
Profit/(loss) before income tax (expense)/benefit		(1,796,284)	61,852
Income tax (expense)/benefit	7	21,069	(8,132)
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of West Coast Aquaculture Group Ltd		(1,775,215)	53,720
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(281,094)	43,087
Other comprehensive income for the year, net of tax		(281,094)	43,087
Total comprehensive income for the year attributable to the owners of West Coast Aquaculture Group Ltd		(2,056,309)	96,807
		Cents	**Cents**
Basic earnings per share	34	(1.64)	0.07
Diluted earnings per share	34	(1.64)	0.07

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

West Coast Aquaculture Group Ltd
Statement of financial position
As at 30 April 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	8	2,636,265	386,416
Trade and other receivables	9	165,494	163,888
Inventories	10	123,204	222,936
Income tax refund due		4,001	-
Biological assets	12	4,274,854	4,530,205
Financial assets	13	733,472	805,966
Other	14	428,477	236,530
Total current assets		8,365,767	6,345,941
Non-current assets			
Property, plant and equipment	15	1,732,521	1,818,467
Right-of-use assets	11	47,419	-
Total non-current assets		1,779,940	1,818,467
Total assets		10,145,707	8,164,408
Liabilities			
Current liabilities			
Trade and other payables	16	2,455,337	2,830,558
Borrowings	17	1,132,109	1,629,352
Lease liabilities		8,720	-
Income tax		-	1,648
Total current liabilities		3,596,166	4,461,558
Non-current liabilities			
Borrowings	17	1,841,601	1,374,710
Lease liabilities		37,059	-
Deferred tax	18	-	21,163
Total non-current liabilities		1,878,660	1,395,873
Total liabilities		5,474,826	5,857,431
Net assets		4,670,881	2,306,977
Equity			
Issued capital	19	20,002,573	15,582,360
Reserves	20	(13,610,197)	(13,329,103)
Retained profits/(accumulated losses)		(1,721,495)	53,720
Total equity		4,670,881	2,306,977

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

West Coast Aquaculture Group Ltd
Statement of changes in equity
For the year ended 30 April 2021

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 5 December 2019	-	-	-	-
Profit after income tax expense for the year	-	-	53,720	53,720
Other comprehensive income for the year, net of tax	-	43,087	-	43,087
Total comprehensive income for the year	-	43,087	53,720	96,807
Commonly controlled reserve recognised on acquisition of West Coast Aquaculture (M) Sdn Bhd (note 20)	-	(13,372,190)	-	(13,372,190)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	15,582,360	-	-	15,582,360
Balance at 30 April 2020	15,582,360	(13,329,103)	53,720	2,306,977

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 May 2020	15,582,360	(13,329,103)	53,720	2,306,977
Loss after income tax benefit for the year	-	-	(1,775,215)	(1,775,215)
Other comprehensive income for the year, net of tax	-	(281,094)	-	(281,094)
Total comprehensive income for the year	-	(281,094)	(1,775,215)	(2,056,309)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	4,420,213	-	-	4,420,213
Balance at 30 April 2021	20,002,573	(13,610,197)	(1,721,495)	4,670,881

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

West Coast Aquaculture Group Ltd
Statement of cash flows
For the year ended 30 April 2021

	Note	Consolidated 2021 $	5 Dec 2019 to 30 Apr 2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,972,901	2,451,958
Payments to suppliers and employees (inclusive of GST)		(5,895,710)	(2,625,756)
		(1,922,809)	(173,798)
Other revenue		19,874	-
Interest and other finance costs paid		(141,989)	(56,518)
Net payments to related parties		-	87,779
Payments in relation to prepaid IPO costs		-	(196,530)
Net cash used in operating activities	31	(2,044,924)	(339,067)
Cash flows from investing activities			
Payments for property, plant and equipment	15	(347,211)	(26,612)
Net cash acquired from common control acquisition		-	(108,607)
Net cash used in investing activities		(347,211)	(135,219)
Cash flows from financing activities			
Proceeds from issue of shares	19	5,028,241	582,360
Proceeds from borrowings		886,232	-
Share issue transaction costs		(371,498)	-
Repayment of borrowings		(677,886)	(57,515)
Repayment of lease liabilities		(5,950)	-
Net cash from financing activities		4,859,139	524,845
Net increase in cash and cash equivalents		2,467,004	50,559
Cash and cash equivalents at the beginning of the financial year		60,751	-
Effects of exchange rate changes on cash and cash equivalents		(191,023)	10,192
Cash and cash equivalents at the end of the financial year	8	2,336,732	60,751

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Comparative information
The company was incorporated on 5 December 2019. The comparative information covers the period from that date until 30 April 2020.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment, biological assets and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of West Coast Aquaculture Group Ltd ('company' or 'parent entity') as at 30 April 2021 and the results of its subsidiary for the year then ended. West Coast Aquaculture Group Ltd and its subsidiary together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting, unless it is an acquisition involving entities or businesses under common control. For common control acquisitions the excess of the purchase price over the identifiable fair value of net assets acquired, is recognised in equity as a reserve.

Note 1. Significant accounting policies (continued)

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

Operating segments
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.

Foreign currency translation
The financial statements are presented in Australian dollars, which is West Coast Aquaculture Group Ltd's functional and presentation currency.

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

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

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

Revenue and income recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: 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.

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

Note 1. Significant accounting policies (continued)

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

The company's Malaysian subsidiary has been granted tax incentive under Section 127 of the Income Tax Act 1967 for exemption of tax on statutory income from fish rearing activities for a period of ten years from February 2013.

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

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.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting year as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Inventories
Agricultural produce harvested from biological assets is measured at fair value less costs to sell at the point of harvest. Such measurement is the cost at the date when applying AASB 102 Inventories. Other stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

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.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	50 years
Farm equipment	10 years
Ponds and quarters	10-20 years
Machinery	7 years
Motor vehicles	5-7 years
Fixture and Fittings	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 consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity 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 consolidated entity 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.

Biological assets
Fishery livestocks

Fishery livestocks are measured at fair value less costs to sell, based on market prices of livestock of similar age, species, where necessary, to reflect the differences. Market prices are obtained from observable market prices (where available), contracted prices or estimated future prices. The costs to sell include the incremental selling costs, including fees and commission paid to dealers and estimated costs of transport to market. Changes in fair value of livestock are recognised in profit or loss.

In measuring the fair value of fishery livestocks, various management estimates and judgements are required. Estimates and judgements in determining the fair value of fishery livestocks relate to the market prices, average weight, tails of fishes and quality of the fishery livestocks.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of West Coast Aquaculture Group Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Note 1. Significant accounting policies (continued)

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting year ended 30 April 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Common controlled acquisition
On 13 December 2019, the company acquired 100% of the ordinary shares of West Coast Aquaculture (M) Sdn Bhd "WCA" for a consideration of 9,999,995 shares valued at $15,000,000.

In determining the accounting treatment to be applied to these acquisitions, the directors gave consideration to the fact that the company and the WCA were controlled by the same group of shareholders before and after the acquisition. Accordingly, it was determined that the acquisition met the definition of a transaction between entities under common control as outlined in AASB 3, whereby the variance between the purchase consideration and the net assets acquired is recognised in reserves on consolidation. A reserve of $13,372,190 has been recognised in relation to this acquisition, refer to note 29

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation 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.

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

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the year in which such determination is made.

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

Fair value of fishery livestocks
Estimates are involved in determining the fair value of fishery livestocks relating to market prices, average weight, tails of fishes and quality of the fishes. There is no effective market for fishery livestocks, so market price is derived from observable market prices (when available), contracted prices or estimated future prices based on historical data. Weight of the fishes is determined based on the estimated number of fishes at the year end. The fishes grow at different rates and there can be a considerable spread in the quality and weight of the fishes that affects the price achieved.

Note 3. Impact of COVID 19 Pandemic

During the year ended 30 April 2020, the COVID-19 was declared a pandemic by the World Health Organisation (WHO). The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Since its outbreak, governments worldwide have set up measures to contain the pandemic. Many countries have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced in some countries. As the COVID-19 outbreak continues to evolve, the estimated financial impact cannot be reasonably determined at this juncture. The impact which COVID 19 has had on the consolidated entity is set out below.

Malaysian operations
Despite the roll-out of vaccinations in various countries around the world, the consolidated entity believes that the COVID-19 pandemic is far from over, especially in view of the long runway until all countries have received the vaccines. This is in addition to the emergence of new mutated variants which pose further risks. As such, the consolidated entity expects the COVID-19 pandemic to continue to affect our operations, industry, and business outlook in the near future.

Although lockdown measures were implemented in Malaysia in January 2021 in light of the resurgence of COVID-19 cases, the consolidated entity’s operations were not disrupted as we had been granted approval by the relevant authorities to continue our operations during this year. As the health and safety of our employees remains a priority, the consolidated entity will continue to implement safety precautions across our operations, such as the mandated wearing of face masks, safe distancing measures, disinfection of factory premises and hostel areas as well as daily checks on our workers health conditions. On 1 June 2021, Malaysia went into a two week lock down in response to an increase in COVID-19 in that country.

Nonetheless, the consolidated entity will continue to monitor the COVID-19 situation closely and manage our operations accordingly, in order to anticipate any potential disruptions in the future and mitigate any consequent impact. In addition, the consolidated entity will continue to closely engage and work with our customers in the year ahead in order to accommodate their shifting business needs and the changing demands of their industries brought on by the COVID-19 pandemic.

Australian operations
The impact of COVID-19 on the consolidated entity's Australian operations has not been material due to their scale and nature of operations as a holding company.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment: aquaculture and fish breeding based in Malaysia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 5. Revenue

	Consolidated	
	2021 $	**5 Dec 2019 to 30 Apr 2020 $**
Revenue from contracts with customers		
Sales of goods	3,954,633	2,211,481
Other revenue		
Other revenue	19,874	7,925
Revenue	3,974,507	2,219,406

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2021 $	**5 Dec 2019 to 30 Apr 2020 $**
Major product lines		
Fresh fish	3,707,159	2,167,498
Frozen fish	232,383	-
Others	15,091	43,983
	3,954,633	2,211,481
Geographical regions		
Malaysia	2,395,453	1,240,641
Hong Kong	1,558,631	970,840
Singapore	549	-
	3,954,633	2,211,481
Timing of revenue recognition		
Goods transferred at a point in time	3,954,633	2,211,481

Major customers
During the year ended 30 April 2021, the consolidated entity generated 33.29% (2020: 43.9%) of its sales revenue from one (2019: two) major customers.

Note 6. Expenses

	Consolidated 2021 $	Consolidated 5 Dec 2019 to 30 Apr 2020 $
Profit/(loss) before income tax includes the following specific expenses:		
Finance costs		
Revolving credit interest	22,637	33,060
Term loan interest	103,354	20,899
Other interest	14,978	2,559
Leases	1,020	-
Finance costs expensed	141,989	56,518
Defined contribution plan benefits	27,589	10,240

Note 7. Income tax expense/(benefit)

	Consolidated 2021 $	Consolidated 5 Dec 2019 to 30 Apr 2020 $
Income tax expense/(benefit)		
Current tax	-	1,890
Deferred tax - origination and reversal of temporary differences	(19,795)	6,242
Prior year (over)/under provison	(1,274)	-
Aggregate income tax expense/(benefit)	(21,069)	8,132
Deferred tax included in income tax expense/(benefit) comprises:		
Increase/(decrease) in deferred tax liabilities (note 18)	(19,795)	6,242
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit	(1,796,284)	61,852
Tax at the statutory tax rate of 27.5%	(493,978)	17,009
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non assessable income	-	(52,406)
Non deductible expenses	63,924	12,757
	(430,054)	(22,640)
Difference in overseas tax rates	3,073	(1,154)
Tax losses not recognised	443,303	31,926
Capital raising costs	(35,930)	-
Prior year (over)/under provision	(1,461)	-
Income tax expense/(benefit)	(21,069)	8,132

Note 7. Income tax expense/(benefit) (continued)

	Consolidated	
	2021 $	5 Dec 2019 to 30 Apr 2020 $
Australian tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	468,873	116,096
Potential tax benefit @ 27.5%	128,940	31,926

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

The company's Malaysian subsidiary has been granted tax incentive under Section 127 of the Income Tax Act 1967 for exemption of tax on statutory income from fish rearing activities for a period of ten years from February 2013.

The consolidated entity also has estimated carried forward tax losses of RM5,262,000 or $1,648,290, (2020: RM1,652,252 - 2020 $582,763) in Malaysia. These are subject to confirmation by the Inland Revenue Board.

Note 8. Cash and cash equivalents

	Consolidated	
	2021 $	2020 $
Current assets		
Cash at bank	2,636,265	386,416

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2021 $	2020 $
Balances as above	2,636,265	386,416
Bank overdraft (note 17)	(299,533)	(325,665)
Balance as per statement of cash flows	2,336,732	60,751

Note 9. Trade and other receivables

	Consolidated	
	2021 $	2020 $
Current assets		
Trade receivables	135,240	118,375
Less: Allowance for expected credit losses	(14,940)	(12,752)
	120,300	105,623
Other receivables	27,726	6,877
Deposits	-	25,576
BAS receivable	17,468	25,812
	165,494	163,888

Note 9. Trade and other receivables (continued)

Allowance for expected credit losses
Movements in the allowance for expected credit losses are as follows:

	Consolidated 2021 $	2020 $
Opening balance	12,752	-
Additional provisions recognised	2,188	12,752
Closing balance	14,940	12,752

Note 10. Inventories

	Consolidated 2021 $	2020 $
Current assets		
Stock on hand - at cost	123,204	222,936

Note 11. Right-of-use assets

	Consolidated 2021 $	2020 $
Non-current assets		
Motor vehicles - right-of-use	51,729	-
Less: Accumulated depreciation	(4,310)	-
	47,419	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Motor vehicles $	Total $
Balance at 5 December 2019	-	-
Balance at 30 April 2020	-	-
Additions	51,729	51,729
Depreciation expense	(4,310)	(4,310)
Balance at 30 April 2021	47,419	47,419

The consolidated has entity motor vehicles under agreements of 5 years.

Note 12. Biological assets

	Consolidated 2021 $	2020 $
Current assets		
Biological asset - fisheries livestock at fair value	4,274,854	4,530,205

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	$	Total $
Balance at 5 December 2019	-	-
Increase due to purchases	1,191,506	1,191,506
Decrease due to sales	(1,606,834)	(1,606,834)
Acquired from common control acquisition	3,563,275	3,563,275
Change in fair value less costs to sell	388,676	388,676
Exchange differences	48,873	48,873
Changes due to biological transformation / mortality and losses	944,709	944,709
Balance at 30 April 2020	4,530,205	4,530,205
Increase due to purchases	2,354,883	2,354,883
Decrease due to sales	(3,707,042)	(3,707,042)
Change in fair value less costs to sell	264,914	264,914
Exchange differences	(520,265)	(520,265)
Changes due to biological transformation / mortality and losses	1,620,265	1,620,265
Transfers to inventories	(268,106)	(268,106)
Balance at 30 April 2021	4,274,854	4,274,854

Refer to note 23 for details on fair value measurement.

Biological assets consist of 850,000 (2020: 800,000) tails of fishery livestock of varying weight categories, located at the consolidated entity’s principle place of agriculture farming in Langkawi, Malaysia. The consolidated entity is exposed to risk arising from fluctuations in the price and sale volume of fishery livestock. Its farming operations is also exposed to damage/fatalities from climate change, disease and other natural elements.

Note 13. Financial assets

	Consolidated 2021 $	2020 $
Current assets		
Term deposits with over three months to maturity	733,472	805,966

The weighted average effective interest rate fixed deposits as at end of financial year ranged from 0.25% to 3.85% per annum.

Fixed deposit of the consolidated entity has maturity period ranged from 98 days to 351 days. Fixed deposits amounting to AUD $733,472 (2020: 805,966) are pledged to licensed banks for bank facilities granted to the subsidiary company.

Note 14. Other

	Consolidated 2021 $	Consolidated 2020 $
Current assets		
Prepayments	428,477	-
Prepaid IPO costs	-	236,530
	428,477	236,530

Upon successful completion of the company's listing on the Sydney Stock Exchange the prepaid IPO costs were capitalised as part of the equity.

Note 15. Property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Buildings - at cost	279,753	264,530
Less: Accumulated depreciation	(16,337)	(10,580)
	263,416	253,950
Farm equipment - at cost	860,543	769,240
Less: Accumulated depreciation	(304,558)	(246,122)
	555,985	523,118
Fixtures and fittings - at cost	29,623	9,937
Less: Accumulated depreciation	(6,071)	(3,755)
	23,552	6,182
Motor vehicles - at cost	163,438	184,029
Less: Accumulated depreciation	(113,006)	(118,939)
	50,432	65,090
Fish ponds and workers quarters - at cost	1,043,668	1,185,266
Less: Accumulated depreciation	(338,177)	(274,686)
	705,491	910,580
Machinery - at cost	206,319	124,596
Less: Accumulated depreciation	(72,674)	(65,049)
	133,645	59,547
	1,732,521	1,818,467

Note 15. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Buildings $	Farm equipment $	Fish Ponds and quarters $	Machinery $	Motor vehicles $	Fixtures and fittings $	Total $
Balance at 5 December 2019	-	-	-	-	-	-	-
Additions	-	5,714	-	18,761	-	2,137	26,612
Common control acquisition	253,190	543,243	945,470	44,839	67,448	4,620	1,858,810
Exchange differences	3,024	7,073	12,305	145	874	14	23,435
Depreciation expense	(2,264)	(32,912)	(47,195)	(4,198)	(3,232)	(589)	(90,390)
Balance at 30 April 2020	253,950	523,118	910,580	59,547	65,090	6,182	1,818,467
Additions	47,203	99,875	77,477	100,752	-	21,904	347,211
Exchange differences	(30,428)	(63,392)	(96,398)	(10,959)	(6,891)	(1,652)	(209,720)
Transfers in/(out)	-	80,411	(80,411)	-	-	-	-
Depreciation expense	(7,309)	(84,027)	(105,757)	(15,695)	(7,767)	(2,882)	(223,437)
Balance at 30 April 2021	263,416	555,985	705,491	133,645	50,432	23,552	1,732,521

Note 16. Trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Trade payables	375,464	478,529
Payable to related parties	1,921,364	2,246,885
Other payables	158,509	105,144
	2,455,337	2,830,558

Refer to note 22 for further information on financial instruments.

Refer to note 27 for further details on amounts payable to related parties.

None of the amounts is secured.

Note 17. Borrowings

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Bank overdraft	299,533	325,665
Term loans	427,483	336,778
Revolving credit	307,444	966,909
Insurance premium finance	97,649	-
	1,132,109	1,629,352
Non-current liabilities		
Term loans	1,841,601	1,374,710

Refer to note 22 for further information on financial instruments.

Security provided
The consolidated entity's borrowings are secured by way of:
- Pledged of fixed deposits;
- Subsequent debenture over fixed and floating assets of WCA, both present and future;
- Supplement existing upfront fixed deposits and sinking fund and profit earned thereon to be retained as security;
- Jointly and severally guaranteed by the subsidiary company’s directors; and
- Against certain percentage of guarantee coverage by Government of Malaysia under the Working Capital Guarantee Scheme (WCGS).

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2021 $	Consolidated 2020 $
Total facilities		
Bank overdraft	305,412	343,891
Revolving credit	595,164	1,022,855
	900,576	1,366,746
Used at the reporting date		
Bank overdraft	299,533	325,665
Revolving credit	307,444	966,909
	606,977	1,292,574
Unused at the reporting date		
Bank overdraft	5,879	18,226
Revolving credit	287,720	55,946
	293,599	74,172

The borrowings carry interest rate ranging between 3.5% - 8.2% (2020: 3.75% - 8.2%)

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 18. Deferred tax

	Consolidated 2021 $	Consolidated 2020 $
Non-current liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	-	161,025
Tax losses	-	(139,862)
Deferred tax liability	-	21,163
Movements:		
Opening balance	21,163	-
Charged/(credited) to profit or loss (note 7)	(19,795)	6,242
Acquired from common control acquisition	-	14,921
Foreign currency conversion	(1,368)	-
Closing balance	-	21,163

Note 19. Issued capital

	Consolidated 2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	114,006,482	103,950,000	20,002,573	15,582,360

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	5 December 2019	-		-
Incorporation shares	5 December 2019	5	$1.00	5
Shares issued for commonly controlled acquisition	23 December 2019	9,999,995	$1.50	15,000,000
Share split	6 January 2020	90,000,000	$0.00	-
Private placement	7 February 2020	3,950,000	$0.15	582,355
Balance	30 April 2020	103,950,000		15,582,360
IPO shares	20 November 2020	10,056,482	$0.50	5,028,241
Less cost of capital raised		-	$0.00	(608,028)
Balance	30 April 2021	114,006,482		20,002,573

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.

Share buy-back
There is no current on-market share buy-back.

Note 19. Issued capital (continued)

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

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

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

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 April 2020 Annual Report.

Note 20. Reserves

	Consolidated	
	2021	**2020**
	$	**$**
Foreign currency reserve	(238,007)	43,087
Commonly controlled reserve	(13,372,190)	(13,372,190)
	(13,610,197)	(13,329,103)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Commonly controlled reserve
On 13 December 2019, the company acquired 100% of the ordinary shares of WCA for a consideration of 9,999,995 shares valued at $15,000,000.

In determining the accounting treatment to be applied to these acquisitions, the directors gave consideration to the fact that the company and the WCA were controlled by the same group of shareholders before and after the acquisition. Accordingly, it was determined that the acquisition met the definition of a transaction between entities under common control as outlined in AASB 3, whereby the variance between the purchase consideration and the net assets acquired is recognised in reserves on consolidation. A reserve of $13,372,190 has been recognised in relation to this acquisition.

Note 20. Reserves (continued)

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

Consolidated	Foreign currency $	Commonly controlled $	Total $
Balance at 5 December 2019	-	-	-
Foreign currency translation	43,087	-	43,087
Commonly controlled acquisition	-	(13,372,190)	(13,372,190)
Balance at 30 April 2020	43,087	(13,372,190)	(13,329,103)
Foreign currency translation	(281,094)	-	(281,094)
Balance at 30 April 2021	(238,007)	(13,372,190)	(13,610,197)

Note 21. Dividends

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

Note 22. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price and interest rate risk), credit risk and liquidity risk. The consolidated entity'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 consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		**Liabilities**	
Consolidated	**2021 $**	**2020 $**	**2021 $**	**2020 $**
Malaysian Ringgit	1,028,923	1,330,443	5,322,880	5,790,619

Note 22. Financial instruments (continued)

Consolidated - 2021	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit before tax	AUD weakened Effect on equity
Malaysian Ringgit	10%	-	390,359	10%	-	(477,106)

Consolidated - 2020	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit before tax	AUD weakened Effect on equity
Malaysian Ringgit	10%	-	405,471	10%	-	(495,575)

Price risk
The consolidated entity is exposed to financial risk from changes in fish prices and sale volume of fishery livestock. As at 30 April 2021, the consolidated entity has approximately 850,000 (2020: 800,000) tails of fishery livestocks. Presently, it is the consolidated entity's policy that it does not enter forward sale contract (either volume and/or pricing). In addition, entering into ongoing contracts with customers is not industry practice nor is it financially viable for the consolidated entity to do so.

The consolidated entity is also exposed to the damage and fatalities from climate changes, disease and other natural forces.

Interest rate risk
The consolidated entity is exposed the interest risk in relation to its variable borrowings.

As at the reporting date, the consolidated entity had the following variable rate borrowings and interest rate swap contracts outstanding:

Consolidated	2021 Weighted average interest rate %	2021 Balance $	2020 Weighted average interest rate %	2020 Balance $
Bank overdraft	8.20%	299,533	8.20%	325,665
Term loans	3.77%	531,203	8.20%	334,701
Revolving credit	3.62%	114,726	4.98%	275,291
Net exposure to cash flow interest rate risk		945,462		935,657

An analysis by remaining contractual maturities is shown in 'liquidity disclosure' below.

Consolidated - 2021	Basis points increase Basis points change	Basis points increase Effect on profit before tax	Basis points increase Effect on equity	Basis points decrease Basis points change	Basis points decrease Effect on profit before tax	Basis points decrease Effect on equity
Bank overdraft	100	(2,995)	(2,995)	100	2,995	2,995
Term loans	100	(5,312)	(5,312)	100	5,312	5,312
Revolving credit	100	(1,147)	(1,147)	100	1,147	1,147
		(9,454)	(9,454)		9,454	9,454

Note 22. Financial instruments (continued)

Consolidated - 2020	Basis points increase Basis points change	 Effect on profit before tax	 Effect on equity	Basis points decrease Basis points change	 Effect on profit before tax	 Effect on equity
Bank overdraft	100	(3,256)	(3,256)	100	3,256	3,256
Bank loans	100	(3,347)	(3,347)	100	3,347	3,347
Revolving credit	100	(2,753)	(2,753)	100	2,753	2,753
		(9,356)	(9,356)		9,356	9,356

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. During the year a total credit loss of $2,188 (2020: $12,752) has been recognised.

Allowance for expected credit losses
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2021 %	 2020 %	Carrying amount 2021 $	 2020 $	Allowance for expected credit losses 2021 $	 2020 $
Not overdue	1.00%	0.99%	115,516	79,665	1,155	789
0 to 2 months overdue	19.00%	16.68%	6,710	27,229	1,275	4,542
2 to 3 months overdue	43.45%	34.09%	891	6,160	387	2,100
Over 3 months overdue	100.00%	100.00%	12,123	5,321	12,123	5,321
			135,240	118,375	14,940	12,752

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated 2021 $	 2020 $
Bank overdraft	5,879	18,226
Revolving credit	287,720	55,946
	293,599	74,172

Note 22. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2021	Weighted average interest rate %	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	-	2,455,337	-	-	2,455,337
Interest-bearing - variable					
Bank overdraft	8.20%	299,533	-	-	299,533
Term loans	3.77%	193,610	337,593	-	531,203
Revolving credit	3.62%	114,276	-	-	114,276
Interest-bearing - fixed rate					
Term loans	5.04%	233,872	1,256,771	247,238	1,737,881
Lease liability	8.98%	8,720	37,049	-	45,769
Revolving credit	3.75%	193,168	-	-	193,168
Insurance premium finance	4.05%	97,649	-	-	97,649
Total non-derivatives		3,596,165	1,631,413	247,238	5,474,816

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	-	2,830,558	-	-	2,830,558
Interest-bearing - variable					
Bank overdraft	8.20%	325,665	-	-	325,665
Bank loans	8.20%	59,300	210,288	65,113	334,701
Revolving credit	4.98%	275,291	-	-	275,291
Interest-bearing - fixed rate					
Bank loans	3.77%	277,477	930,195	169,115	1,376,787
Revolving credit	3.75%	691,618	-	-	691,618
Total non-derivatives		4,459,909	1,140,483	234,228	5,834,620

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 23. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Biological assets	-	4,274,854	-	4,274,854
Total assets	-	4,274,854	-	4,274,854

Consolidated - 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Biological assets	-	4,530,205	-	4,530,205
Total assets	-	4,530,205	-	4,530,205

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Fishery livestocks are measured at fair value less costs to sell, based on market prices of livestock of similar age, species, where necessary, to reflect the differences. Market prices are obtained from observable market prices (where available), contracted prices or estimated future prices.

Note 24. Key management personnel disclosures

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

	Consolidated	
	2021 **$**	**5 Dec 2019 to 30 Apr 2020** **$**
Short-term employee benefits	176,631	44,411
Post-employment benefits	14,606	3,881
	191,237	48,292

The board of directors of West Coast Aquaculture Group Ltd were not entitled to receive any remuneration until the company was successfully listed on the Sydney Stock Exchange on 24 November 2020. However Yaw Foi Chan and Teik Hon Chin both received remuneration in their capacity as employees of the company's subsidiary during the prior year.

Chan Huan Tai and Khor Chin Dee have also been included as a members of other key management personnel in their capacities as a directors of the company's subsidiary during the prior year. Khor Chin Dee and Neo Ching Hoe did not receive any remuneration during the prior year, until January 2021.

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the company, and its network firms:

	Consolidated	
	2021 $	5 Dec 2019 to 30 Apr 2020 $
Audit services - HLB Mann Judd		
Audit or review of the financial statements	35,500	19,500
Other services - HLB Mann Judd		
Preparation of independent accountant's report - IPO	28,084	29,882
	63,584	49,382
Audit services - network firms		
Audit or review of the financial statements	13,196	9,778

Note 26. Commitments

	Consolidated	
	2021 $	2020 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	274,881	-

The capital commitment relates to the acquisition of a vessel, related farming equipment and 4 additional fish cages, (which were acquired via finance subsequent to balance date).

Note 27. Related party transactions

Parent entity
West Coast Aquaculture Group Ltd is the parent entity.

Subsidiaries
Interests in the company's subsidiary are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Identification of related parties
The below people have been identified as related parties during the year:-

Board members of the Company:

Note 27. Related party transactions (continued)

- Ching Hoe Neo - Chief Executive Officer and board member of West Coast Aquaculture (M) Sdn Bhd
- Teik Hon Chin - Chief Operations Officer and board member of West Coast Aquaculture (M) Sdn Bhd
- Yaw Foi Chan - Chief Financial Officer
- Stuart Laurence Niven - Non-Executive Director
- Lee Ping Chong - Non-Executive Director
- James Barrie - Non-Executive Director (appointed 17 November 2020)

Other board members of West Coast Aquaculture (M) Sdn Bhd

- Chan Huan Tai
- Khor Chin Dee

Other related parties

- Neo Joe Yee - wife of Chan Huan Tai and sister of Ching Hoe Neo
- Chin Koon Chia - major shareholder with a 35.09% stake in the company

The below entities have been identified as related parties during the year:-

- North Island Fish Nursery S/B - 90% owned by Ching Koon Chia and 10% owned by Chan Huan Tai.
- Tropika Island Fish Farm S/B - 33% owned by Chan Huan Tai , 20% owned by Khor Chin Dee, 22% owned by Chin Teik Hon and 25% owed by Ching Hoe Neo during the year. These interests have been disposed of at 30 April 2020.
- Maxprotech Resources S/B - Ching Hoe Neo is director and owner of 85% of the company.
- CD Khor Trading - 100% owned by Khor Chin Dee.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2021 $	5 Dec 2019 to 30 Apr 2020 $
Sale of goods and services:		
Sale of goods to CD Khor Trading	-	49,020
Payment for goods and services:		
Purchase of goods from North Island Fish Nursery S/B	2,284,708	1,025,251
Purchases of services from Maxprotech Resources S/B	34,374	14,031
Payment for other expenses:		
Wages and salaries paid to Neo Joe Yee	-	5,663

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2021 $	2020 $
Current payables:		
Other payables to Chin Koon Chia	664,077	747,743
Other payables to Ching Hoe Neo	430,710	484,975
Other payables to Neo Joe Yee	332,038	373,871
Other payables to Teik Hon Chin	166,019	186,936
Other payable to Khor Chin Dee	249,028	280,403
Trade payables to North Island Fish Farm Sdn Bhd	79,489	172,957

Note 27. Related party transactions (continued)

There were no loans to or from related parties at the current and previous reporting date.

Note 28. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $	5 Dec 2019 to 30 Apr 2020 $
Loss after income tax	(254,672)	(116,096)
Total comprehensive income	(254,672)	(116,096)

Statement of financial position

	Parent	
	2021 $	2020 $
Total current assets	4,783,751	466,264
Total assets	19,783,751	15,466,264
Total current liabilities	151,946	-
Total liabilities	151,946	-
Equity		
Issued capital	20,002,573	15,582,360
Accumulated losses	(370,768)	(116,096)
Total equity	19,631,805	15,466,264

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 April 2021 and 30 April 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 April 2021 and 30 April 2020

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

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

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

Note 29. Interest in subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	2020 %
West Coast Aquaculture (M) Sdn Bhd	Malaysia	100.00%	100.00%

On 13 December 2019, the company acquired 100% of the ordinary shares of WCA for a consideration of 9,999,995 shares valued at $15,000,000.

In determining the accounting treatment to be applied to these acquisitions, the directors gave consideration to the fact that the company and the WCA were controlled by the same group of shareholders before and after the acquisition. Accordingly, it was determined that the acquisition met the definition of a transaction between entities under common control as outlined in AASB 3, whereby the variance between the purchase consideration and the net assets acquired is recognised in reserves on consolidation. A reserve of $13,372,190 has been recognised in relation to this acquisition.

	Acquisition date value
Summary of assets and liabilities acquired	
Cash and cash equivalents	155,727
Trade and other receivables	1,710,664
Inventories	257,711
Biological assets	3,563,275
Financial assets	789,453
Property, plant and equipment	1,858,810
Trade and other payables	(3,692,033)
Borrowings (including overdraft)	(3,000,246)
Provision for income tax	(630)
Deferred tax liability	(14,921)
Net assets acquired	1,627,810

	Commonly controlled reserve
Net asset acquired	(1,627,810)
Value of consideration shares	15,000,000
	13,372,190

Note 30. Events after the reporting period

On 1 June 2021, Malaysia went into a two week lock down in response to an increase in COVID-19 in that country. Management continue to monitor the situation and its impact on the consolidated entity's performance.

On 9 June 2021, the company announced it had onboarded Langkawi Seafood Marketing ("LSM") as a distributor for their live and frozen fish. LSM will help the consolidated entity to distribute its fish throughout the central Malaysian Region.

No other matter or circumstance has arisen since 30 April 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated 2021 $	Consolidated 5 Dec 2019 to 30 Apr 2020 $
Profit/(loss) after income tax (expense)/benefit for the year	(1,775,215)	53,720
Adjustments for:		
Depreciation and amortisation	227,747	90,390
Fair value gain on biological assets	(264,914)	(388,767)
Accrued interest	-	(7,925)
Payments in relation to prepaid IPO costs	-	(196,530)
Insurance premium financed	97,649	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,606)	232,552
Decrease in inventories	99,732	34,775
Increase in other operating assets	(428,477)	(578,163)
Increase in trade and other payables	21,229	412,749
Increase/(decrease) in provision for income tax	(5,649)	1,018
Increase/(decrease) in deferred tax liabilities	(15,420)	7,114
Net cash used in operating activities	(2,044,924)	(339,067)

Note 32. Non-cash investing and financing activities

	Consolidated 2021 $	Consolidated 5 Dec 2019 to 30 Apr 2020 $
Shares issued in relation to acquisition of WCA	-	15,000,000
Insurance premium financed	97,649	-
	97,649	15,000,000

On 13 December 2019, the company acquired 100% of the ordinary shares of West Coast Aquaculture (M) Sdn Bhd "WCA" for a consideration of 9,999,995 shares valued at $15,000,000.

Note 33. Changes in liabilities arising from financing activities

Consolidated	Leases $	Borrowings (ex overdraft) $	Total $
Balance at 5 December 2019	-	-	-
Net cash used in financing activities	-	(57,515)	(57,515)
Common control acquisition	-	2,735,912	2,735,912
Balance at 30 April 2020	-	2,678,397	2,678,397
Net cash from/(used in) financing activities	(5,950)	208,346	202,396
Insurance premium financed	-	97,649	97,649
Acquisition of plant and equipment by means of leases	51,729	-	51,729
Exchange differences	-	(310,215)	(310,215)
Balance at 30 April 2021	45,779	2,674,177	2,719,956

Note 34. Earnings per share

	Consolidated **2021** **$**	**5 Dec 2019 to 30 Apr 2020** **$**
Profit/(loss) after income tax attributable to the owners of West Coast Aquaculture Group Ltd	(1,775,215)	53,720
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	108,385,872	80,863,851
Weighted average number of ordinary shares used in calculating diluted earnings per share	108,385,872	80,863,851
	Cents	**Cents**
Basic earnings per share	(1.64)	0.07
Diluted earnings per share	(1.64)	0.07

West Coast Aquaculture Group Ltd
Directors' declaration
30 April 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 April 2021 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

Ching Hoe Neo
Chief Executive Officer and Executive Chairman

30 June 2021

Independent Auditor's Report to the Members of West Coast Aquaculture Group Ltd

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of West Coast Aquaculture Group Ltd ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 April 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 April 2021 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

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Key Audit Matter	How our audit addressed the key audit matter
Valuation of Biological Assets *Refer to note 1 – Biological assets and note 12 Biological assets*	
The Group has biological assets valued at $4,274,854 as at 30 April 2021. These biological assets are measured at fair value less costs to sale. In order to determine the carrying value, the directors exercised significant judgements in determining the fair value of fishery livestock taking into consideration the market prices, average weight, tails of fishes, quality of the fishery livestock and the costs to sell Due to the significant judgment involved in determining fair value less costs of sell, the valuation of biological assets was assessed to be a key audit matter.	We assessed management's evaluation of the adopted accounting treatment and performed the following procedures amongst others: • Understood and assessed the process used by management to obtain the key inputs (such as observable market prices of fish, incremental selling costs – dealers' commission paid, transport costs, quantity of fish on hand, grading of fish stock by weight) used by management to determine fair value; • Assessed the appropriateness of the valuation methodology for compliance with AASB 141 *Agriculture* and AASB 13 *Fair Value Measurement;* • Assessed key assumptions of the valuation methodology and inputs used with reference to historical selling prices, discount factor applied to the selling price of fishery livestock not ready for sale; • Tested the controls operating over the grading and weighing procedures, which are used to calculate the quantity of fishes on hand; and • Assessed the appropriateness of the adopted disclosures in the financial statements against the requirements of Australian Accounting Standards.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 April 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the

Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 11 of the directors' report for the year ended 30 April 2021.

In our opinion, the Remuneration Report of the Group for the year ended 30 April 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
30 June 2021

West Coast Aquaculture Group Ltd
Shareholder information
30 April 2021

The shareholder information set out below was applicable as at 24 June 2021.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	-	-
1,001 to 5,000	16	0.06
5,001 to 10,000	322	1.50
10,001 to 100,000	60	1.39
100,001 and over	32	97.05
	430	100.00
Holding less than a marketable parcel	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
CHIN KOON CHIA	40,000,000	35.09
JOE YEE NEO	20,000,000	17.54
CHIN DEE KHOR	15,000,000	13.16
CHING HOE NEO	15,000,000	13.16
TEIK HON CHIN	10,000,000	8.77
KELLY KAR WAI SIM	700,000	0.61
TZE SIN YII	699,684	0.61
HOWARD LEONG	676,026	0.59
MR WILLIE YUNG LIE VOO	672,000	0.59
YEE SOON YEE HING	650,026	0.57
IRETON LOON AIK CHIN	650,000	0.57
JASON WAI KHONG	641,342	0.56
KAH KUAN KUAN LEE	624,000	0.55
JI HUAI DENG	395,000	0.35
CHEE HOE CHAN	395,000	0.35
FAN XIAO	395,000	0.35
KELLY SIM KAR WAI	395,000	0.35
JING HUA YANG	395,000	0.35
LEUNG KOK HAU	395,000	0.35
SENG HUAN HOH	390,000	0.34
	108,073,078	94.81

Unquoted equity securities
There are no unquoted equity securities.

West Coast Aquaculture Group Ltd
Shareholder information
30 April 2021

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held	% of total shares issued
CHIN KOON CHIA	40,000,000	35.09
JOE YEE NEO	20,000,000	17.54
CHIN DEE KHOR	15,000,000	13.16
CHING HOE NEO	15,000,000	13.16
TEIK HON CHIN	10,000,000	8.77

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.