



## FINANCIAL RESULTS COMMENTARY FY2008

The Chairman, Mr Hagen Stehr AO, today announced the following results for the 12 months ended 30 June 2008 for Clean Seas Tuna Limited.

Results		% Change		\$'000
Revenues from ordinary activities	Up	74%	to	13,874
Profit/(Loss) from ordinary activities before tax	Down	-171%	to	(1,217)
Net profit/(loss) for the period attributable to members	Down	-130%	to	(658)
Earnings per share (cents per share)	Down	-120%	to	(0.45)
<b>Dividends</b>				
There will not be a dividend declared or paid for the Year Ended 30 June 2008				

Mr Stehr said, "Our second full year of trading has again been a period of substantial growth with positive achievements on most fronts. We are, however, disappointed to report a loss due largely to issues arising from expanding our markets and product range. We have now achieved the necessary critical mass for our continuing development as a full food service company from egg to plate. In our key business area, SBT lifecycle closure, we have made substantial progress during the FY2008 year and remain confident of meeting our initial plans."

### **Review of FY2008**

#### **Southern Bluefin Tuna**

In March 2008 the company was pleased to announce the successful production of fertilised SBT eggs and a modest number of SBT larvae from its Arno Bay SBT broodstock and hatchery facility. Although these larvae did not growout to fingerlings, achieving the production of viable SBT larvae in a controlled hatchery environment is a key world first which has attracted the interest of the international aquaculture industry and was the next vital step leading to the commercialisation of the closure of the SBT lifecycle.

In June 2008 key hatchery personnel visited the onshore Panamanian Yellowfin Tuna facility managed by the Intra-American Tropical Tuna Commission to conduct a number of controlled trials designed to better understand the larval rearing requirements of this closely related tuna species. The results of the trials will materially assist the company's ongoing SBT development program.

#### **Kingfish and Mulloway**

As of November 1 2007, the company acquired Clean Seas Aquaculture Growout Pty Ltd (CSAG). The acquisition and integration has proceeded well and has resulted in a substantial increase in the company's production capacity.

During the year some 1.1 million Yellowtail Kingfish fingerlings and some 0.2 million Mulloway fingerlings were transferred to the growout sites at Fitzgerald Bay, Arno Bay and Pt Lincoln. Overall, the company is satisfied with the growth in Kingfish and Mulloway production during the year, which increased from 1,319 tonnes in FY2007 to 3,280 tonnes in FY2008, an overall increase of

150%. Whereas production for the 10 months to 30 April 2008 for YC07 fish was ahead of budget, YC08 Kingfish did not achieve their targeted growth through to 30 June 2008 in the colder months.

Sales volumes of both species also materially increased from some 800 tonnes in FY2007 to 1,500 tonnes, including fish from CSAG, in FY2008, i.e. an increase of some 90% in volume. The rapid increase in production will continue to translate into increased product for sale and accordingly the company is continuously improving its post harvest and sales and marketing capabilities. In this regard the company has:-

- Recently recruited Mr Timothy Graham as Manager – Sales & Marketing. Timothy brings critical experience gained from two major international fishing groups and specialist skills required as we develop in to a full food service company.
- Effective April 2008, Blue Harvest, a specialist seafood marketing company, was retained by the company under a 3+3 year performance based sales contract to service and grow the domestic market. Via Blue Harvest, the company now has direct representation in all capital cities in Australia.
- Continued to support the excellent work being undertaken by the company's European and North American agents and the company is committed to increasing its effective reach into these key export markets. The recently announced endorsement of Clean Seas Kingfish by Euro-Toques International, an association of more than 4,000 of Europe's finest chefs, reflects the consistently high quality of the farmed product.
- Under construction a major purpose-designed automated harvesting vessel which, when commissioned in September 2008, will materially improve harvesting costs and product quality.
- Commenced, under the direction of Timothy Graham, a full review of the product range to be offered, and the most efficient processing/logistics options open to the company and the development of the marketing materials and campaigns required to support the expanded product range.

### **The Year Ahead**

The company anticipates making further significant advances with its SBT lifecycle closure program and expects to produce substantial quantities of fertilised eggs over the forthcoming summer. The challenge is for the company then to produce viable SBT fingerlings for growout and the company's planning is well advanced for this next key stage.

The production target for FY2009 is some 4,600 tonnes of Kingfish and Mulloway with anticipated sales increasing to approximately 4,000 tonnes. Both hatcheries are currently fully stocked and production of 1.1 – 1.2 million Yellowtail Kingfish fingerlings for transfer to sea cages prior to Christmas 2008 and sale to third parties is scheduled.

The nature of the product growth cycle is such that the company will again report a loss for the first half of FY2009 but a strong profit result for the second half of the forthcoming financial year is anticipated as the company benefits from increased production, efficiencies, and improving net farmgate prices.

**Hagen Stehr AO**  
**Chairman**

**22 August 2008**  
**Contact details: 08 8621 2900**



**Appendix 4E**  
**Clean Seas Tuna Limited**  
**ABN 61 094 380 435**  
**Preliminary Consolidated Final Report Financial**  
**Year Ended 30 June 2008**

**Results for announcement to the market:**

<b>Results</b>		<b>% Change</b>	<b>\$'000</b>
Revenues from ordinary activities	Up	74%	13,874
Profit from ordinary activities before tax	Down	-171%	( 1,217)
Net profit for the period attributable to members	Down	-159%	( 658)
Earnings per share (cents per share)	Down	-150%	(0.45)
<b>Dividends</b>			
There will not be a dividend declared or paid for the Year Ended 30 June 2008			

This financial report is the Preliminary Consolidated Final Report provided to the Australian Stock Exchange under listing rule 4.3A.

Appendix 4E  
Preliminary Consolidated Final Report

**Clean Seas Tuna Limited**  
**Preliminary Income Statement for the Year Ended 30 June 2008**

	Note	Clean Seas Tuna Limited	
		2008 '000	2007 \$'000
Revenue	4	13,480	7,563
Other income	4	394	396
		<u>13,874</u>	<u>7,959</u>
Net gain from SGARA valuation of biological assets (fish stock)		13,468	6,007
Employee benefits expense		(7,251)	(852)
Fish husbandry expense		(14,914)	(8,602)
Other expenses, excluding net financing costs		(5,869)	(2,805)
Profit before net financing costs and income tax		<u>(692)</u>	<u>1,707</u>
Interest revenue	4	81	201
Financial costs	5	(606)	(185)
Net financing costs		<u>(525)</u>	<u>16</u>
Profit before income tax expense		<u>(1,217)</u>	<u>1,723</u>
Income tax expense relating to ordinary activities		559	(617)
Net profit		<u>(658)</u>	<u>1,106</u>
Attributable to;			
Equity holders		(658)	1,106
Minority interest		-	-
Profit for the period		<u>(658)</u>	<u>1,106</u>
Basic earnings per share (cents per share)	9	(0.45)	0.90
Diluted earnings per share (cents per share)	9	(0.44)	0.89

The income statement is to be read in conjunction with the discussion and analysis in the attached press release and the notes to and forming part of the financial statements set out on pages 6 o 17.

Appendix 4E  
Preliminary Consolidated Final Report

**Clean Seas Tuna Limited**  
**Preliminary Balance Sheet as at 30 June 2008**

	Note	Clean Seas Tuna Limited	
		2008 \$'000	2007 \$'000
<b>Current Assets</b>			
Cash and cash equivalents		735	1,188
Trade and other receivables		2,268	7,094
Prepayments		475	-
Fish inventory		2,932	-
Feed inventory		2,498	-
Biological assets		31,689	13,378
<b>Total current assets</b>		<b>40,597</b>	<b>21,660</b>
<b>Non-Current Assets</b>			
Prepayments		128	50
Property, plant and equipment		24,474	13,262
Deferred tax assets		911	-
Biological assets		2,751	2,673
Other non-current assets		13,155	1,456
Intangible assets		8,058	1,467
<b>Total non-current assets</b>		<b>49,477</b>	<b>18,908</b>
<b>Total assets</b>		<b>90,074</b>	<b>40,568</b>
<b>Current Liabilities</b>			
Trade and other payables		13,639	7,658
Interest bearing loans and borrowings		9,947	3,769
Deferred grant income		2,990	2,323
Provisions		394	62
<b>Total current liabilities</b>		<b>26,970</b>	<b>13,812</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability		-	139
Provisions		158	21
<b>Total non-current liabilities</b>		<b>158</b>	<b>160</b>
<b>Total liabilities</b>		<b>27,128</b>	<b>13,972</b>
<b>Net assets</b>		<b>62,946</b>	<b>26,596</b>
<b>Equity</b>			
Issued capital		63,140	26,371
Reserves		336	97
Retained earnings		( 530)	128
<b>Total equity</b>		<b>62,946</b>	<b>26,596</b>

The balance sheet is to be read in conjunction with the discussion and analysis in the attached press release and the notes to and forming part of the financial statements set out on pages 6 to 17.

**Appendix 4E**  
**Preliminary Consolidated Final Report**

**Clean Seas Tuna Limited**  
**Statement of Changes in Equity for the Year Ended 30 June 2008**

	<b>Ordinary Shares</b>	<b>Converting Notes</b>	<b>Retained Earnings</b>	<b>Share Option Reserve</b>	<b>Total</b>
Balance at 1 July 2006	10,180	6,395	(978)	35	15,632
Option reserve on recognition of options issued	-	-	-	62	62
Profit/(loss) attributable to members	-	-	1,106	-	1,106
Shares issued during the year	6,041	-	-	-	6,041
Transaction costs	(239)	(183)	-	-	(422)
Converting notes issued during the year	-	4,177	-	-	4,177
Balance at 30 June 2007	15,982	10,389	128	97	26,596
Option reserve on recognition of options issued	-	-	-	239	239
Profit/(loss) attributable to members	-	-	(658)	-	(658)
Shares issued during the year	36,799	-	-	-	36,799
Transaction costs	(907)	-	-	-	(907)
Notes converted during	10,036	(9,159)	-	-	877
Balance at 30 June 2008	61,910	1,230	(530)	336	62,946

The statement of changes in equity is to be read in conjunction with the discussion and analysis in the attached press release and the notes to and forming part of the financial statements set out on pages 6 to 17.

Appendix 4E  
Preliminary Consolidated Final Report

**Clean Seas Tuna Limited**  
**Preliminary Cash Flow Statement for the Year Ended 30 June 2008**

	Note	Clean Seas Tuna Limited 2008 \$'000	2007 \$'000
<b>Cash Flows from Operating Activities</b>			
Cash receipts in the course of operations		18,409	7,435
Receipt of AUSINDUSTRY grant		670	1,275
Payments to suppliers and employees		(28,018)	(15,241)
Interest received		91	206
Dividends received		-	-
Finance costs		(1,448)	(1,088)
Income taxes paid		-	-
<b>Net cash provided by operating activities</b>		<b>(10,296)</b>	<b>(7,413)</b>
<b>Cash Flows from Investing Activities</b>			
Payments for purchase of property, plant and equipment		(9,030)	(8,620)
Equity investment		(12,263)	-
Payments for purchase of tuna broodstock		(78)	(94)
Payment for SBT quota		-	(352)
Proceeds on disposal of non-current assets		1,032	19
<b>Net cash provided by / (used in) investing activities</b>		<b>(20,339)</b>	<b>(9,047)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares and notes		36,799	10,982
Payments for costs incurred in capital raising		(1,296)	(602)
Proceeds from borrowings		7,000	5,429
Repayment of borrowings		(12,321)	(3,154)
<b>Net cash provided by/(used in) financing activities</b>		<b>30,182</b>	<b>12,655</b>
<b>Net increase/(decrease) in cash held</b>		<b>(453)</b>	<b>(3,805)</b>
<b>Cash at the beginning of the year</b>		<b>1,188</b>	<b>4,993</b>
<b>Cash at the end of the year</b>		<b>735</b>	<b>1,188</b>

The cash flow statement is to be read in conjunction with the discussion and analysis in the attached press release and the notes to and forming part of the financial statements set out on pages 6 to 17.

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**1 Reporting entity**

The financial report covers the entity Clean Seas Tuna Ltd . Clean Seas Tuna Ltd is a listed public company, incorporated and domiciled in Australia. The company's registered office is 7 North Quay Boulevard, Port Lincoln, SA, 5606.

This financial report for the year ended 30 June 2008 was authorised for issue by the directors on 19 August 2008.

**2 Basis of preparation**

**(a) Statement of compliance**

The preliminary financial report which has been prepared in accordance with Accounting Standard AASB 1039 "Concise Financial Reports", the recognition and measurement requirements of applicable AASB standards, the Corporations Act 2001 and the Appendix 4E to the Australian Stock Exchange listing rules.

The preliminary financial report is to be read in conjunction with the 2007 annual financial report, the December 2007 half-year report and any public announcements by Clean Seas Tuna Limited during the year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

**(b) Basis of preparation**

The financial report has been prepared on the basis of historical cost and, except where stated, does not take into account changing money values or fair values of non current assets.

The preliminary financial report does not include full note disclosure of the type normally included in an annual financial report.

**(c) Functional and presentation currency**

The financial statements are presented in Australian dollars.

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars except where stated.

**(d) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Fish held for resale are valued at their fair value less estimated point-of-sale costs determined as an average sale value in the two weeks post balance date. At 30 June 2008 the Company has 4,155,439 kilograms of fish held for resale valued at \$34,620,779 ( 2007:1,506,137 kilograms valued at \$13,377,979 ). Management and the board are confident that markets will continue to expand to accommodate the sale of fish being grown for resale.

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**3 Significant accounting policies**

**(a) Income tax**

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(b) Property, plant and equipment**

**Property**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**3 Significant accounting policies (continued)**

**(b) Property, plant and equipment (cont)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Historically some assets held by Clean Seas Aquaculture Pty Ltd have been depreciated on a reducing balance method.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rates	
	Straight line	Diminishing value
Buildings	2.5%	
Vessels	7.5%	11.3%
Cages and nets	20.0%	33.0%
Plant, equipment	13.0%	25.0%
Computers	30.0%	
Motor Vehicles	15.0%	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained profit.

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**3 Significant accounting policies (continued)**

**(c) Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Financial assets at fair value through profit and loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Derivative instruments**

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**Significant accounting policies (continued)**

**(d) Intangibles**

**Patents and trademarks**

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a definite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 15 to 20 years.

**Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

**Goodwill**

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

**(e) Impairment of assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(f) Foreign Currency Transactions and Balances**

**Functional and presentation currency**

The functional currency of the entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for

**(g) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(h) Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(i) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term-borrowings in current liabilities on the balance sheet.

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**3 Significant accounting policies (continued)**

**(j) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST)

Government Grants relating to the purchase of property, plant and equipment are included in current and non-current liabilities as deferred income and are credited to the income statement on a straight line basis over the expected lives of the related assets.

**(k) Borrowing expenses**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

**(l) Good and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a net of GST basis, except where the amount of GST incurred is not recoverable from the Australian Tax Office

**(m) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**3 Significant accounting policies (continued)**

**(n) Rounding of amounts**

The entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1,000.

**(o) Biological Assets**

Biological assets include fish held for sale and broodstock. These are valued under AASB141.

Fish held for resale are valued at their fair value less estimated point-of-sale costs determined as an average sale value in the two weeks post balance date. This value is then discounted by a current market determined rate that reflects the normal operating risk in delivering the fish on hand at balance date for sale to the customer at a future date.

Broodstock is valued using the same principles detailed above. The net cash flows from production of kingfish and mullock fingerlings is minimal. The southern bluefin tuna broodstock have yet to generate positive cash flows. The directors have determined that currently, the cost of broodstock best approximates fair value. This will be reviewed annually. Broodstock will be amortised over their effective breeding life commencing when sexual maturity is established. The death of a broodstock fish is not reflected as an impairment of the assets provided there are sufficient broodstock on hand to support the project objectives.

**(p) Segment Information**

*Business segments*

The company has no distinctive business segment that is subject to risks and returns that differ from other business segments within the company.

*Geographical segments*

The company operates in the Eyre Peninsula in South Australia. This results in there being no reportable geographic segment.

**(q) Share Capital**

**(i) Transaction costs**

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Appendix 4E  
Preliminary Consolidated Final Report

**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**4 Revenue and other income**

**Revenue**

	2008	2007
	\$ '000	\$ '000
<i>Sales Revenue</i>		
Sale of fingerlings	124	452
Sale of finfish	12,717	6,905
	12,841	7,357
<i>Other Revenue</i>		
Interest	81	201
Other	639	206
	720	407
<i>Other Income</i>		
Gain on disposal of property, plant and equipment	115	11
Plant lease income	275	378
Grant income	4	7
	394	396

**5 Expenses**

**Profit before income tax includes the following specific expenses**

	2008	2007
	\$ '000	\$ '000
<i>Depreciation and amortisation expenses</i>		
Buildings and dams	427	309
Plant and equipment	1,328	361
Motor Vehicles	88	24
	1,843	694
<i>Finance costs</i>		
Interest paid/payable	606	185
	606	185

**6 Profit from Ordinary Activities**

Profit from ordinary activities before income tax has been arrived at after charging / (crediting) the following items

	2008	2007
	\$ '000	\$ '000
Depreciation of buildings	427	309
Depreciation of plant and equipment	1,416	385
Total depreciation of property, plant and equipment	1,843	694

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**Clean Seas Tuna Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2008**

**7 Comparison of Half-Year Profit**

	2008 \$ '000	2007 \$ '000
Net profit attributable to members of the Company reported for the first half-year	(26)	486
Net profit attributable to members of the Company for the second half-year	(632)	620
	(658)	1,106

**8 Ratios**

	2008	2007
<b>(a) Net tangible asset (NTA) backing</b>		
Net tangible assets per ordinary share	\$0.52	\$0.30
Calculated as net assets less intangible assets less outside equity interests in those assets over the total number of shares on Issue		
<b>(b) Other ratios</b>		
Profit before tax / revenue	(8.72%)	21.12%
Calculated as profit from ordinary activities before related income tax expense as a percentage of total revenues		
Profit after tax / equity interests	(1.05%)	4.16%
Calculated as net profit attributable to members of the Company as a percentage of equity attributable to members		

**9 Earnings per Share**

	2008	2007
<b>(a) Basic earnings per share (cents/share)</b>		
Profit from continuing operations attributable to the ordinary equity holders of the company	(0.45)	0.90
<b>(b) Diluted earnings per share (cents/share)</b>		
Profit from continuing operations attributable to the ordinary equity holders of the company	(0.44)	0.89
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
	2008 \$ '000	2007 \$ '000
<i>Basic earnings per share</i>		
Profit from continuing operations	(658)	1,106
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(658)	1,106

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**(c) Reconciliations of earnings used in calculating earnings per share (Cont.)**

	2008	2007
<i>Diluted earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(658)	1,106
Interest saving on converting notes	-	-
	(658)	1,106
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	(658)	1,106

**(d) Weighted average number of ordinary shares used as the denominator**

Number for basic earnings per share	147,545,522	123,562,827
Effect of potential ordinary shares	1,465,890	675,753
Number for diluted earnings per share	149,011,412	124,238,580

<b>2008</b>	2007
\$ '000	\$ '000

**10 Retained Profits**

Balance at the beginning of the year	128	(978)
Net profit attributable to members of the Company	(658)	1,106
Transfer from reserves	-	-
Dividends recognised during the year	-	-
Balance at the end of the year	(530)	128

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**Clean Seas Tuna Limited**  
**Compliance Statement**

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views.
- 2 This report, and the accounts upon which the report is based, use the same accounting policies
- 3 This report gives a true and fair view of the matters disclosed.
- 4 This report is based on accounts which are being audited.
- 5 The accounts on which this report is based are not likely to be subject to dispute or qualification.

Dated at Port Lincoln this 22nd day of August 2008.

Signed in accordance with a resolution of the directors.

Hagen Stehr

Chairman

**Annual General Meeting**

The Annual General Meeting of Clean Seas Tuna Limited will be held in Adelaide on the 21st of October.

The Notice of Meeting and Proxy Form will be sent with the Annual Report during September 2008.