

ABUNDANT PRODUCE LIMITED
ABN 46 606255887

ASX APPENDIX 4E
RESULTS FOR ANNOUNCEMENT TO THE MARKET
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

1. Reporting Period

Current Reporting Period 30 June 2017
Prior Reporting Period 30 June 2016

2. Results for announcement to the market

Revenue from ordinary activities for the period	\$429,518	down	24 %
Loss from ordinary activities after tax for the period attributable to members	\$1,060,886	down	2%
Net loss after tax for the period attributable to members	\$1,060,886	down	2%

EPS	Asat 30/06/2017	Asat 30/06/2016
Basic Loss per share	0.2 cents	0.9 cents
Diluted Loss per Share	0.2 cents	0.9 cents

3. Financial Result

The consolidated loss of the Group for the year after providing for income tax amounted to \$1,060,886 (2016: \$1,034,009).

The 2017 result is attributable to the following:

	2017	2016
R&D tax incentive rebate	\$249,783	\$169,439
Gain on initial recognition of seed	\$114,686	\$369,853
Seed sales	\$45,049	\$14,414
Cost of Sales	\$415,394	\$40,933
Consultancy expenses	\$267,073	\$302,101
Depreciation	\$232,496	\$121,668

Net tangible assets per security were \$0.09 at 30 June 2017 (2016: \$0.11).

4. Commentary on Results

Following is a summary of the achievements and milestones realised during the course of this financial year for our seeds and nutraceuticals divisions

Seeds

(a) Commercialization and Co-Hybrid agreement

This year included a significant milestone for Abundant Produce, with the commencement of global commercialisation of its plant breeding Research and Development Portfolio. In June, Abundant entered into a multi-decade Commercialization and Co-Hybrid agreement with a major international distributor. The agreement covers the production, marketing, sales and distribution of hybrid seeds, and the co-development of new varieties combining the intellectual property of the two companies. On signing, the agreement included nominated varieties of cucumbers, and catered for additional varieties and species to be added as they became ready for commercialisation.

The seed division is now engaged in production and sales planning with the International distribution partner and royalties from the Commercialization and Co-Hybrid Agreement are expected to commence in the current financial year.

(b) Cucumbers

Abundant Produce continues to develop cucumber varieties to ensure the product pipeline remains full in coming years. “Telegraph” and winter season Lebanese style cucumbers are approaching the trial stage and a portfolio of innovative snack style cucumbers follows.

(c) Tomatoes

In July 2017, the Board announced that five varieties of tomato were also ready for sale and distribution, six months ahead of schedule.

Nutraceuticals

During the year, Abundant’s wholly owned subsidiary, Abundant Natural Health Pty Ltd (ANH) also commenced trading. ANH is focused on the creation of nutraceutical products from plant extracts, principally for sale into China.

(a) Tomato Infusion

The initial production run of Tomato Infusion - Lycopene Active Daily Face Cream was completed, and sales commenced with an initial \$60,000 order.

(b) Trademark registration in China

Reflecting ANH’s primary target market, China’s aspirational middle class, ANH successfully registered the trademark for Abundant 雅达 in China. 雅达 is pronounced ‘Ya da’ translates to English as ‘elegant and demure’. The trademark is a key facet of ANH’s strategy for establishing brand presence in China and selling offline through traditional distribution channels, in addition to online sales.

Abundant Produce looks forward to further sales from ANH this year and the marketing of further nutraceuticals .. ANH has a number of vegetable extract consumer natural health product lines in various stages of development which will be strategically released to the market.

5. Dividends

The Company has not paid dividends and is not proposing to pay dividends.

6. Statement of profit or loss and other comprehensive income

Refer to attached Statement of profit or loss and other comprehensive income

7. Statement of financial position

Refer to attached statement of financial position

8. Statement of changes in equity

Refer to attached statement of changes in equity

9. Statement of cash flows

Refer to attached statement of cash flows

10. Details of entities over which control has been gained or lost

The Company incorporated a subsidiary, Abundant Natural Health Pty Ltd during the year.

11. Details of associates and joint venture entities

The Company has no associates or joint ventures.

12. Status of audit and description of likely disputes or qualifications

This preliminary final report is in the process of being audited. No matters have arisen which would result in a dispute or qualification.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

		Consolidated Entity	
		2017	2016
	Note		
Revenue	2	429,518	564,761
Cost of goods Sold		(415,394)	(40,933)
Gross profit		14,124	523,827
Consultancy expenses		(267,073)	(302,101)
Insurance expense		(32,362)	(15,413)
Depreciation and amortisation expense		(232,496)	(121,668)
Directors' fees		(296,774)	(58,000)
Travel expenses		(30,558)	(17,070)
Occupancy expenses		(67,169)	(20,343)
Research expenditure		(171,446)	(13,669)
Share based payment expense		-	(800,000)
Other expenses		(250,642)	(81,145)
(Loss) before income tax	3	(1,334,396)	(905,581)
Income tax benefit/(expense)	4	273,510	(128,428)
(Loss) for the year		(1,060,886)	(1,034,009)
Other Comprehensive Income		-	-
Total comprehensive (loss) for the year		(1,060,886)	(1,034,009)
Loss per share for loss attributable to the ordinary equity holders of the company:			
		Cents	Cents
Basic (loss)/profit per share	5	(0.02)	(0.09)
Diluted (loss)/profit per share	5	(0.02)	(0.09)

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

Consolidated Statement of Financial Position
As at 30 June 2017

		Consolidated Entity	
		2017	2016
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	1,123,276	2,511,717
Trade and other receivables	7	380,487	285,444
Inventories	8	704,290	769,415
Total current assets		2,208,053	3,566,576
Non-current assets			
Property, plant and equipment	9	349,133	384,885
Deferred tax assets		500,139	292,321
Intangibles	10	757,562	724,747
Total non-current assets		1,606,834	1,401,953
Total assets		3,814,887	4,968,529
Liabilities			
Current liabilities			
Trade and other payables	11	414,318	441,382
Total current liabilities		414,318	441,382
Non-current liabilities			
Deferred tax liabilities		498,022	563,714
Total non-current liabilities		498,022	563,714
Total liabilities		912,340	1,005,096
Net assets		2,092,547	3,963,433
Equity			
Contributed equity	12	5,011,223	5,011,223
(Accumulated losses)/retained earnings		(2,108,676)	(1,047,790)
Total equity		2,092,547	3,963,433

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Contributed Equity	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2015	808,977	(13,781)	795,196
Loss for the year	-	(1,034,009)	(1,034,009)
Total comprehensive income	-	(1,034,009)	(1,034,009)
Issue of Capital	4,346,600		4,346,600
Share issue costs net of tax	(144,354)		(144,354)
Balance at 30 June 2016	5,011,223	(1,047,790)	3,963,433
Balance at 1 July 2016	5,011,223	(1,047,790)	3,963,433
Loss for the year	-	(1,060,886)	(1,060,886)
Total comprehensive income	-	(1,060,886)	(1,060,886)
Issue of Capital	-		-
Balance at 30 June 2017	5,011,223	(2,108,676)	2,092,547

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

Consolidated Statement of Cash Flows
For the year ended 30 June 2017

		Consolidated Entity	
		2017	2016
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers		191,318	157,367
Payments to suppliers and employees		(933,768)	(563,456)
Interest received		19,244	4,983
Interest paid		-	(336)
Net cash (outflow)/Inflow from operating activities	14	(723,206)	(401,442)
Cash flows from investing activities			
Payments for property, plant & equipment		(342,070)	(137,438)
Payments for research & development		(323,165)	(304,023)
Net cash inflow/(outflow) from investing activities		(665,235)	(441,461)
Cash flows from financing activities			
Proceeds from issues of shares		-	3,546,200
Transactions costs		-	(206,220)
Net cash inflow from financing activities		-	3,339,980
Net (decrease)/increase in cash and cash equivalents		(1,382,441)	2,497,077
Cash and cash equivalents at the beginning of the financial year		2,511,717	14,640
Cash and cash equivalents at end of year	6	1,123,276	2,511,717

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

Notes to Financial Statements

For the year ended to 30 June 2017

Abundant Produce Limited ("the Company") is a Company incorporated on 4 June 2015 and is a company limited by shares incorporated in Australia whose shares have been publicly traded on the Australian Securities Exchange Limited ("ASX") since 26 April 2016. The address of its registered office and principal place of business is Suite 4.06, Level 4, 55 Miller Street, Pyrmont, NSW 2009.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. Abundant Produce Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

b) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Abundant Produce Limited and its only subsidiary. Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. Abundant Produce Australia Pty Ltd is the only subsidiary which is 100% owned and whose principal place of business is Sydney Australia.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

c) Business combinations

Business combinations occur where an acquirer obtains control over one or more business.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or a business under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

On 26 April 2016, the company, formerly known as Soon Resources Limited, completed the 100% acquisition of Abundant Produce Australia Pty Ltd. As part of this process Soon Resources Limited changed its name to Abundant Produce Limited. The acquisition of Abundant Produce Australia Pty Ltd resulted in their shareholders obtaining control of the consolidated entity. In addition, the Board of Directors of the consolidated entity was restructured such the former directors of Abundant Produce Limited resigned and four nominees of Abundant Produce Australia Pty Limited became the directors of Abundant Produce Limited and have assumed responsibility for the management of the consolidated entity. The current directors of the Group have formed the view that Abundant Produce Limited was not a business from incorporation until the date of acquisition and as such the acquisition has been accounted for as a share based payment transaction using the principles set out in AASB 2 "Share-based Payment) whereby Abundant Produce Australia Limited is deemed to have issued shares in exchange for the net assets and listing status of Abundant Produce Limited. In accordance with AASB 2, the difference between the fair value of the deemed consideration paid by Abundant Produce Limited and the fair value of the identifiable net assets, is required to be recognised as an expense. Consequently, an expense of \$800,000 has been recognised as set out in Note 5 to the financial statements.

Given Abundant Produce Australia Pty Ltd is considered to be the parent of the Group for accounting purposes, the consolidated financial statements represent a continuation of the financial statements of Abundant Produce Australia Pty Ltd. The results for the period ending 30 June 2016 comprise the results of Abundant Produce Australia Pty Ltd for the full year and the results of Abundant Produce Limited subsequent to the completion of the acquisition, i.e. 26 April 2016.

The comparative information provide is that of Abundant Produce Australia Pty Ltd.

d) Going Concern basis of accounting

The financial statements have been prepared on a going concern basis. The Group has incurred an operating loss for the year of \$1,060,886 (2016: loss \$1,034,009) and has negative cash flows from operating activities of \$723,206 (2016: negative cash flows \$401,442). The Group has \$1,123,276 in cash at the end of 30 June 2017 which is sufficient in the view of the Directors to meet the outgoings of the Group and to enable it to pay its debts as & when they fall due over the next 12 months from the date of this report. Therefore, the Directors consider that the going concern basis is appropriate.

e) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

f) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

g) Inventories

Inventories comprise seeds which are valued at fair value less costs to sell at the time the seeds are picked and subsequently at net realisable value under AASB102 "Inventories".

h) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at cost or fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

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 revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use

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

Class of Fixed Asset	Depreciation Rate
Buildings	33%
Office & computer equipment	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

i) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use.

j) Intangibles Assets

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 is expected to deliver future economic benefits and these benefits can be measured reliably. Capitalised development costs are stated at cost less accumulated amortisation.

Capitalised development costs have a finite useful life and are amortised as a straight line being when the intangible asset is available for use over 5 years.

k) Leases

Lease payments for operating leases where substantially all the risks and benefits remain with the lessee are recognised as expenses in the period in which they are incurred. .

l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 6 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

m) Revenue and Other Income

Revenue from the sale of seeds is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the seeds.

When the seeds are harvested there is an initial recognition of seeds as revenue based upon the fair value of the seeds at that time.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

n) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

o) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

p) Goods 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 Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

q) Comparative Figures

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

r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) *Impairment – general*

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of goodwill at the end of the reporting period.

Key judgements

(ii) Research and Development Costs

The Directors have determined that research of cucumber seeds had altered from research to development in the 2013-14 year. At this point various cucumber seeds were identified for further development and ultimately commercial trials. Therefore, all costs incurred in cucumber seed programs are capitalised as development expenditure. The same determination was made for tomato seeds in the 2014-15 year.

(iii) Recoverability of deferred tax assets

Deferred tax assets are recognised for deductible temporary difference and unused tax losses as management considers that it is probable that future taxable profits will be available to utilize those temporary differences and unused tax losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

2) Revenue

	Consolidated Entity	
	2017	2016
	\$	\$
Revenue		
Interest	19,244	4,983
Seed Sales	45,049	14,414
R&D tax incentive rebate	249,783	169,439
Gain on initial recognition of seed	114,686	369,853
Other income	756	6,072
Total	429,518	564,761

3) Expenses

(Loss) before income tax includes the following specific expenses:

Depreciation and amortization expense	222,496	103,384
Rental expense relating to operating lease:	69,169	20,343

4) Income tax expenses

	Consolidated Entity	
	2017	2016
	\$	\$
Current tax benefit/(expense)	273,510	(128,428)

	Consolidated Entity	
	2017	2016
(b) Reconciliation of income tax expense to prima facie tax payable:	\$	\$
(Loss)before income tax	(1,334,396)	(905,581)
Prima facie income tax at 27.5% (2016: 30%)	(366,959)	(271,674)
Non-deductible expenditure	553	194,078
R&D Tax incentive rebate not assessable	(68,690)	(50,832)
Impact of tax consolidation on losses	168,370	-
Impact of changes in tax rate	(6,785)	-
	(273,510)	(128,428)

5) Earnings Per Share

	Consolidated Entity	
	2017	2016
Earnings used to calculate basic & diluted EPS	(1,060,886)	(1,034,009)
Weighted average number of ordinary shares outstanding during the year used in calculating basic & diluted EPS	46,500,000	11,568,493
Basic & diluted Earnings Per Share	(0.02)	(0.09)

6) Cash and cash equivalents

	Consolidated Entity	
	2017	2016
Cash at bank and on hand	1,123,276	206,932
Term deposit	-	2,304,785
Total	1,123,276	2,511,717

The effective interest rate on short-term bank deposits was 0% to 1.5% (2015: Nil%); these deposits have an average maturity of 90 days.

7) Trade and other receivables

	Consolidated Entity	
	2017	2016
	\$	\$
Trade Debtors	-	3,930
Other receivables	380,487	276,514
Prepayments	-	5,000
Total	380,487	285,444

(a) Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as “trade and other receivables” is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group currently only has credit risk exposures in Australia.

7) – Trade and other receivables (cont.)

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group

	Gross Amount \$000	Past Due and Impaired \$000	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms \$000
			< 30 \$000	31–60 \$000	61–90 \$000	> 90 \$000	
2017							
Trade and term receivables							
Other receivables	380,487						380,487
Prepayments							
Total	380,487						380,487
2016							
Trade and term receivables	3,930	-	1,678	-	-	850	1,402
Other receivables	276,514	-		-	-	-	276,514
Prepayments	5,000						5,000
Total	285,444	-	1,678	-	-	850	282,916

8) Inventories

	Consolidated Entity	
	2017	2016
	\$	\$
Seeds at deemed cost	638,764	769,415
Face cream at cost	65,526	-
Total	704,290	769,415

9) Property, plant & equipment

	Consolidated Entity	
	2017	2016
	\$	\$
Improvements		
Cost	28,430	-
Accumulated amortisation	(1,418)	-
	27,012	-
Buildings		
Cost	546,721	127,965
Accumulated Depreciation	(224,600)	(110,758)
	322,121	17,207
Capital – Work in progress	-	367,678
Office equipment		
Cost	22,586	20,729
Accumulated Depreciation	(22,586)	(20,729)
	-	-
Total property, plant & equipment	349,133	384,885

Movements in Carrying Amounts	Office Equipment	Improvements	Buildings	Work in Progress	Total
Balance at 1 July 2015	-		28,381	-	28,381
Additions	20,729		-	367,678	388,407
Disposals	-		-	-	-
Depreciation	(20,729)		(11,174)	-	(31,903)
Balance at 30 June 2016	-	-	17,207	367,678	384,885
Balance at 1 July 2016	-	-	17,207	367,678	384,885
Additions	1,857	28,430	418,756	51,078	500,121
Transfer to Buildings	-	-		(418,756)	(418,756)
Disposals	-	-	-	-	-
Depreciation	(1,857)	(1,418)	(113,842)	-	(117,117)
Balance at 30 June 2017	-	27,012	322,121	-	349,133

10) Intangibles – Development Costs

	Consolidated Entity	
	2017	2016
	\$	\$
Cucumber Seed	635,304	629,345
Accumulated amortisation	(205,145)	(89,675)
	430,159	539,670
Tomato Seed	326,403	185,167
Face Cream	1,000	-
Total	757,562	724,837

	Consolidated Entity		
	Cucumber Seed	Tomato Seed	Face Cream
	\$	\$	\$
Balance as at 1 July 2015	448,825	61,574	-
Additions	180,520	123,593	-
Amortisation	(89,675)	-	-
Impairment	-	-	-
Balance as at 30 June 2016	539,670	185,167	-

	Consolidated Entity		
	Cucumber Seed	Tomato Seed	Face Cream
	\$	\$	\$
Balance as at 1 July 2016	539,670	185,167	-
Additions	5,959	141,236	1,000
Amortisation	(115,470)	-	-
Impairment	-	-	-
Balance as at 30 June 2017	430,159	326,403	1,000

Intangible assets, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the Statement of Profit or Loss.

11) Trade and other payables

	Consolidated Entity	
	2017	2016
	\$	\$
Trade & other payables	414,318	441,382
Total	414,318	441,382

12) Contributed equity

	Consolidated Entity	
	2017	2016
	\$	\$
Notes		

(a) Share capital

Ordinary Shares

46,500,000 (2016: 46,500,000) Fully paid shares	(c)	5,011,223	5,011,223
Total Share Capital		5,011,223	5,011,223-

(b) Movements in ordinary share capital

	2017 \$	2016 \$	2017 Number	2016 Number
At the beginning of the reporting period	5,011,223	808,976	46,500,000	22,328,501
Share issues during the year:				
1 July 2015(Issue of shares to founder)		400		4,000,000
13 July 2015(placement)		25,000		500,000
3 August 2015(placement)		10,000		200,001
24 August 2015(placement)		11,200		6,500,000
26 April 2016(shares exchanged on ...)		-		(29,528,502)
26 April 2016(deemed shares issued to shareholders of controlled entity on acquisition)		800,000		25,000,000
26 April 2016(issue of shares on IPO)		3,500,000		17,500,000
Transaction costs		(144,354)		
Closing balance	5,011,223	5,011,223	46,500,000	22,328,501

(c) Ordinary shares

The Company does not have a limited amount of authorised capital.

13) Operating Segment

Currently the directors view the financial performance of the Group on a consolidated basis and has no defined operating segments. The Group core activity is the development and production of seeds for sale and its operates from one location, being Australia.

14) Cash Flow Information

	Consolidated Entity	
	2017	2016
Reconciliation of Cash flows from Operating activities to Net Loss after Tax.	\$	\$
(Loss) after tax	(1,060,886)	(1,034,009)
Non-cash flows in (loss):		
Share based Payment expense	-	800,000
Depreciation and amortisation	232,496	121,668
Changes in assets and liabilities, net of the effect of purchase and disposal of subsidiaries		
(Increase)/decrease in trade & other receivables	(95,043)	(121,550)
(Increase)/decrease in inventories	65,125	(329,415)
(Increase)/decrease in deferred tax assets	(207,818)	(212,033)
Increase/(decrease) in trade & other payables	408,612	95,303
Increase/(decrease) in deferred tax liability	(65,692)	278,594
Cash Flows from operating activities	(723,206)	(401,442)

15) Company Details

The registered office of company is:

Abundant Produce Limited
Suite 4.06, Level 4
55 Miller Street
PYRMONT NSW 2009

The principal place of business is:

Abundant Produce Limited
Suite 4.06, Level 4
55 Miller Street
PYRMONT NSW 2009