Wingara AG Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Wingara AG Limited
ACN:	009 087 469
Reporting period:	For the year ended 31 March 2021
Previous period:	For the year ended 31 March 2020

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	8.4%	to	38,009,412
Loss from ordinary activities after tax attributable to the owners of Wingara AG Limited	down	> 100%	to	(6,232,809)
Loss for the year attributable to the owners of Wingara AG Limited	down	> 100%	to	(6,232,809)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $6,232,809 (31 March 2020: profit of $787,012).

Key financial statement[1] items for FY2021 were:

- Revenue of $38.0 million (+8%)
- EBITDA of $2.5 million (-25%)
- NPAT loss of $3.2 million (FY2020: $3.5 million loss)
- Reported net cash from operating activities $0.3m (-79%)
- Reported net debt of $6.0m

Reconciliation of reported to underlying results

('000s)	Reported FY21	Bad debts expense	Forfeiture of deposit	Transaction costs	Disposal of fixed assets	Share-based payments	inventory adjustment	Restructure Costs	Impairment of capital projects	Underlying FY21
Revenue	38,009									38,009
Gross profit	**16,375**						661			17,036
Other income	680									680
Operating and overhead costs	(15,906)		268			(99)		496		(15,241)
EBITDA	**1,149**		**268**			**(99)**	**661**	**496**		**2,475**
Net gain/(loss) on disposal of fixed assets	(13)				13					
Depreciation and amortisation	(2,899)									(2,899)
Impairment of receivables	(978)	978								
Project and transaction expenses	(687)			250					496	59
EBIT	**(3,428)**	**978**	**268**	**250**	**13**	**(99)**	**661**	**496**	**496**	**(365)**
Finance costs	(2,576)									(2,576)
Income tax expense	(229)									(229)
NPAT	**(6,233)**	**978**	**268**	**250**	**13**	**(99)**	**661**	**496**	**496**	**(3,170)**

[1] Underlying unless stated otherwise. Refer to reconciliation of reported to underlying results.

Please refer to section Review of operations on page 3 of the accompanying financial report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	9.82	13.79

4. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

6. Attachments

Details of attachments (if any):

The Annual Report of Wingara AG Limited for the year ended 31 March 2021 is attached.

7. Signed

Signed ____________________________ Date: 28 May 2021

Mr David Christie
Non-Executive Chairman
Melbourne

Wingara AG Limited

ACN 009 087 469

Annual Report - 31 March 2021

Wingara AG Limited
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Wingara AG Limited
Corporate directory
31 March 2021

Directors	Mr David Christie (Non-Executive Chairman) Mr Jeral D'Souza (Non-Executive Director) Mr Steven Chaur (Non-Executive Director)
Chief Financial Officer and Interim CEO	Mr Zane Banson
Company secretary	Ms Vanessa Chidrawi
Registered office	5-7 Leslie Road Laverton North VIC 3206 Australia
Principal place of business	5-7 Leslie Road Laverton North VIC 3206 Australia
Share and debenture register	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth 6000 Australia 1300 55 70 10 (within Australia) +61 8 9323 2000 (overseas)
Auditor	William Buck Level 20, 181 William Street Melbourne Victoria 3000
Solicitors	QR Lawyers Level 6 / 400 Collins Street Melbourne Victoria 3000
Stock exchange listing	Wingara AG Limited shares are listed on the Australian Securities Exchange (ASX code: WNR)
Website	www.wingaraag.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Wingara AG Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2021.

Directors
The following persons were directors of Wingara AG Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David Christie - Non-Executive Director (appointed 9 June 2020), subsequently appointed Non-Executive Chairman on 14 September 2020
Mr Jeral D'Souza - Non-Executive Director
Mr Steven Chaur - Non-Executive Director (appointed 18 November 2020)
Mr Zane Banson - Executive Director (resigned 18 November 2020)
Mr Gavin Xing - Executive Chairman and Managing Director, subsequently appointed Managing Director and CEO on 14 September 2020, resigned from the Company on 8 January 2021
Mr Mark Hardgrave - Non-Executive Director (resigned 9 June 2020)

Principal activities
During the year, the principal continuing activities of the consolidated entity consist of acting as product processor and marketer of agricultural products, and also acting as service provider, providing temperature controlled facilities, blast freezing, storage and distribution.

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 $6,232,809 (31 March 2020: profit of $787,012).

Wingara AG Limited ("Wingara" or "the Company") owns and operates value-add, mid-stream assets specialising in the processing, storage and marketing of agriculture produce for export markets through two businesses: JC Tanloden (JCT), and Austco Polar Cold Storage (APCS).

In light of global economic challenges through FY2021 resulting from COVID-19, Wingara focused on operational efficiency, strategic initiatives and corporate governance structures during the year to position the business for sustainable growth, balanced with delivering a resilient operational performance for FY2021.

Highlights for FY2021 include:

Strong revenue results

Wingara delivered its 5th consecutive year of revenue growth in FY2021, with 8% growth to $38 million. This was driven by a record revenue result from JCT, which grew production volumes by 56% and revenue by 27%. The strong JCT performance more than offset a COVID-19 impacted APCS revenue decline of 22%.

Having delivered production output of 65,575 MT for the year, JCT surpassed stated utilisation targets of 70-75%, reaching 82% in Q4 FY2021 with production volumes of 22,830 MT for the quarter. JCT experienced a strong demand across all key export regions, including China, and volume performance strengthened each quarter throughout the year with the progressive recovery from COVID-19.

Conditions for APCS were more challenging with blast volumes and revenue down 21%, impacted by a combination of macroeconomic conditions, contractions in livestock markets and lower volume of slaughter rates over the past 18 months. Volumes did improve in H2 FY2021 over H1, though this is not expected to be a precursor to recovery in FY2022.

EBITDA, whilst remaining positive for FY2021, showed a yoy decline. Group operational costs were impacted by high shipping surcharges resulting from COVID-19. In addition, JCT's result was impacted by previous hay purchasing decisions, depreciation of the USD and bad debts. The effect of lower revenues and higher operational costs for APCS, flowed through to the suboptimal group NPAT outcome.

Gearing has been maintained at conservative levels, with management's focus on operational efficiency preserving cash and the circa $5 million placement in August 2020. Net debt was $6.0 million, excluding leases, as at 31 March 2021.

Strategic and operational initiatives

Wingara has implemented a number of operational, strategic and governance initiatives which are already showing results. A complete business asset and corporate strategy review has been undertaken, and the management team transition has been completed, following the appointment of James Whiteside as CEO effective 1 July 2021. In addition, $1.0 million of annualised cost savings were implemented in Q4 FY2021, with full year affect in FY2022.

The company's internal governance framework has been enhanced to increase transparency in hay procurement, improve customer relationships and for the earlier identification of customer churn and debt recoverability risks.

At a segment level, JCT's inventory balance has been right-sized to achieve shorter turnover cycles in a higher production volume environment. The business is in the process of further diversifying its customer base and regional exposure, while also capitalising on its current position. This involves deepening customer relationships and understanding of customer needs, improved pricing arrangements and improved internal verification processes.

Whilst political tension between China and several countries including Australia is ongoing, we continue to proactively strengthen relations with our Chinese customers, whilst also developing other markets to drive growth opportunities and to balance our geographic exposure.

With respect to APCS, management focus during FY2021 was on cost control during non-peak periods. The Board and management are currently reviewing optimal utilisation for the asset, in line with the strategic direction of the group.

	Mar-18	**Sep-18**	**Mar-19**	**Sep-19**	**Mar-20**	**Sep-20**	**Mar-21**
	H2 FY18	**H1 FY19**	**H2 FY19**	**H1 FY20**	**H2 FY20**	**H1 FY21**	**H2 FY21**
	($M)	**($M)**	**($M)**	**($M)**	**($M)**	**($M)**	**($M)**
Revenue	4.29	14.72	14.40	15.02	20.04	18.35	19.66
EBITDA	0.88	2.76	2.00	1.33	1.96	2.69	(1.54)
Total Assets	23.36	44.01	47.40	51.07	55.32	55.23	54.03
Net Assets	12.09	15.53	15.14	16.53	16.44	20.88	14.86

Significant changes in the state of affairs
On 24 August 2020, the Company issued 26,513,833 fully paid ordinary shares at $0.19 per share through a Placement, raising approximately $5 million.

On 19 February 2021, the Company issued 213,105 fully paid ordinary shares at $0.1877 per share as part of the company's employee share scheme.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 21 April 2021 the Company announced that it had appointed James Whiteside as CEO, effective 1 July 2021.

Subsequent to year end, the revolving loan facility with a limit of $5,000,000 was extended from an expiry of July 2021 to December 2022 moving it from a current facility to a non-current facility.

No other matter or circumstance has arisen since 31 March 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
There are no likely developments or details on the expected results of operations that the consolidated entity has not disclosed.

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

Information on directors

Name:	Mr David Christie
Title:	Non-Executive Chairman (appointed 9 June 2020)
Qualifications:	GAICD, BA, LLB, LLM
Experience and expertise:	Mr David Christie is a Co-Founder and COO of Wilson A.I. – a specialist Artificial Intelligence (AI) company developing and applying AI solutions for multiple industries. He is also a Co-founder of Amplifir Pty Ltd a Digital Marketing Agency. David is also a Non-Executive Director, Chair of the Remuneration & Nominations Committee and a member of the Audit & Risk Committee, of Kleos Space S.A. (ASX:KSS), a satellite company based out of Luxembourg and is a Non-Executive Director at Litigation Lending Services. He is also Chair of the Remuneration Committee for Litigation Lending Services Limited. Over the past 20 years David has served as a senior executive in London, Russia and New York at Renaissance Capital Bank, Deutsche Bank and Simmons & Simmons Lawyers; and in Australia at Minter Ellison Lawyers and iSelect Ltd. (ASX:ISU), where he held the roles of Chief Strategy Officer, General Counsel and Company Secretary with responsibility over Legal affairs, Compliance, Governance, Human Resources, IT, Investor Relations, Public Relations and Litigation/ Disputes.
Other current directorships:	Kleos Space S.A. (ASX:KSS), Litigation Lending Services Limited
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	213,105 ordinary shares
Interests in options:	None

Name:	Mr Jeral D'Souza
Title:	Non-Executive Director
Experience and expertise:	Mr. D’Souza has over 40 years’ experience having spent 30 years in senior regional management roles with Cargill, a leading global producer and distributer of food and agricultural products with operations in over 70 countries/ regions. Mr D’Souza has also been a Director of Teys Australia (Cargill’s and Teys family JV), and Chairman of Allied Mills (Cargill and GrainCorp’s Australian JV). The two businesses were diverse and included meat export, flour milling, bakery products, and agriculture product marketing in Asia, Europe, USA and Australia. Mr D’Souza holds a Bachelor Degree with Honours in Accounting and Business Finance from the University of Manchester in England and is a Chartered Accountant with the Institute of Chartered Accountants in England and Wales. Mr D’Souza joined Cargill in 1983 after six years in the accounting profession with one of the UK big firms.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

Name:	Mr Steven Chaur
Title:	Non-Executive Director (appointed 18 November 2020)
Qualifications:	MBA (Monash), Grad. Dip. Marketing, GAICD, FIML
Experience and expertise:	Mr Steven Chaur brings over 30 years' experience in consumer, agricultural and industrial products markets with a solid understanding of agriculture having led businesses engaged in the production of dairy, fresh produce, beef, stock feeds and consumer foods. Mr Chaur has held Managing Director roles with Patties Foods Ltd (ASX:PFL), Nutrano Produce Group Ltd and was Pacific Region Managing Director for Saint-Gobain (EPA:SGO), one of the world's largest building products companies. He has held previous senior leadership roles with George Weston Foods, Findus Australia Pty Ltd, National Foods Limited, Simplot Australia and Unilever. Mr Chaur is a past director of Meat & Livestock Australia, where he was also Chair of the MLA Donor Company, past Chair of the Remuneration Committee, director of the Integrity Systems Company and a member of the Audit & Risk Committee. Mr Chaur is also a past non-executive director for several not for profit youth charitable organisations and brings over 20 years' experience working in international market development across Asia, China, USA and Europe. Mr Chaur is currently Group Chief Executive Officer of Castlegate James Australasia, the leader in food chain sustainability. The company innovatively converts consumer food manufacturing by-products into value added livestock feeds, bio energy and other products.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

Name:	Mr Zane Banson
Title:	Executive Director (resigned 18 November 2020) Currently appointed as Chief Financial Officer and Interim CEO
Experience and expertise:	Mr Banson is an experienced Chartered Accountant specialising in Board Advisory, Corporate Governance and Financial Reporting for small and micro-cap listed companies. Mr Banson comes with over 10 years of experience in CFO Advisory, Company Secretarial, and Financial Reporting from KPMG, Exxon Mobil and boutique advisory firms. He has managed and advised a wide range of emerging, growth-stage listed companies. Mr Banson has worked with Wingara AG since 2015 in an advisory capacity before becoming the CFO in November 2018. Mr Banson graduated from RMIT University with a bachelor degree of Accounting and Finance and is a Chartered Accountant.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	444,500 ordinary shares
Interests in options:	1,000,000 unlisted options

'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
Ms Vanessa Chidrawi

Ms Chidrawi was appointed company secretary on 26 March 2021. Ms Chidrawi has 12 years' private practice experience in commercial law and litigation, practicing for her own account in Johannesburg. Over the past 15 years, she has acted as General Counsel and Company Secretary for a number of ASX- and TSX-listed companies. She has held senior executive positions in the mining industry across Australia and S-E Asia. Ms Chidrawi holds Bachelor of Law and Bachelor of Commerce qualifications and brings with her a wealth of experience in corporate governance, management, mergers and acquisitions, board advisory and capital raising in the listed company space.

Mr Oliver Carton
Mr Carton is a qualified lawyer with over 30 years of experience in a variety of corporate roles. He currently runs his own consulting business and was previously a Director of the Chartered Accounting firm KPMG. Prior to that, he was a senior legal officer with ASIC. Mr Carton is also an experienced company secretary and is currently company secretary for a number of listed, unlisted and not for profit companies, including the Melbourne Symphony Orchestra.

Mr Carton resigned as company secretary on 26 March 2021.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 March 2021, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
David Christie	6	6	1	1
Jeral D'Souza	6	7	2	2
Steven Chaur	4	4	1	1
Zane Banson	2	2	1	1
Gavin Xing	5	5	1	1
Mark Hardgrave	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 entity, directly or indirectly, including all directors.

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 it is considered to conform to the market best practice for the 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 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 and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Any share based payments to Non-executive directors are based on the discretion of the Company.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was when the Company listed in December 2015, where the shareholders approved a maximum annual aggregate remuneration of $300,000.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Consolidated entity performance and link to remuneration
The remuneration of Non-Executive Directors consists of an un-risked element (base pay) which is not linked to the performance of the Company in the current or previous reporting periods and share-based payments, which are awarded at the discretion of the Company. Executives are remunerated through a mix of un-risked remuneration (base pay) and a risked element through company options issued under the company's employee share and option plan (ESOP) which is linked to the performance of the Company.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Voting and comments made at the Company's 19 August 2020 Annual General Meeting ('AGM')
At the Company's 2020 AGM, at least 25% of the shareholders voted against the adoption of the Remuneration Report, resulting in a "first-strike" under sections 250u – w of the Corporations Act 2001 (Cth.). The directors have therefore considered shareholders concerns regarding remuneration and the management of the Company and taken the following steps to address those concerns:

- Resignation of CEO and COO;
- Comprehensive review of positions within the Company and completion of restructure where required; and
- Decrease in payroll overheads

If, when the Remuneration Report for FY2021 is put to shareholders at the 2021 AGM, 25% or more of the vote is recorded against the adoption of the report, a “second strike” will be recorded and shareholders will be required to vote, at the same meeting, on a “spill motion”, i.e. a motion to decide whether all directors will be required to stand for re-election within 90 days of the AGM. Directors and key management personnel and their closely related parties will not be permitted to vote on this resolution. If the spill motion is passed, as an ordinary resolution, then a meeting must be called within 90 days, to allow for voting on the re-election of the directors.

The directors, however, believe that substantial steps have been taken to address the concerns of shareholders, and believe that the Company’s current remuneration structure is appropriate to the circumstances of the business, striking a balance between the interests of shareholders in value creation and the need to attract, motivate and retain experienced and skilled executives.

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.

The key management personnel of the consolidated entity consisted of the following directors of Wingara AG Limited:
- Mr David Christie (appointed 9 June 2020)
- Mr Jeral D'Souza
- Mr Steven Chaur (appointed 18 November 2020)
- Mr Zane Banson (resigned as director on 18 November 2020, continued as Chief Financial Officer)
- Mr Gavin Xing (resigned 8 January 2021)
- Mr Mark Hardgrave (resigned 9 June 2020)

And the following member of key management personnel:
- Ms Kellie Barker - Chief Operating Officer (resigned 12 January 2021)

	Short-term benefits		Post-employment benefits		Vesting share-based payments	
31 March 2021	Cash salary and fees $	Movement in leave Provision $	Super-annuation $	Termination benefits * $	Equity-settled $	Total $
Non-Executive Directors:						
David Christie	84,849	-	8,061	-	40,000	132,910
Jeral D'Souza	40,692	-	3,866	-	-	44,558
Steven Chaur	17,756	-	1,687	-	-	19,443
Mark Hardgrave	9,659	-	918	-	-	10,577
Executive Directors:						
Gavin Xing	265,300	-	22,662	135,000	-	422,962
Other Key Management Personnel:						
Zane Banson	227,979	(334)	21,658	-	-	249,303
Kellie Barker	216,874	-	15,492	11,538	-	243,904
	863,109	(334)	74,344	146,538	40,000	1,123,657

* Upon the resignation of Gavin Xing on 8 January 2021, the company paid six months' salary in lieu of notice of which $67,500 was paid prior to 31 March 2021 together with outstanding leave entitlements. The balance of the six months salary in lieu of notice has been accrued and will be paid within FY2022.

Kellie Barker received a payment in lieu of notice which was paid prior to 31 March 2021 together with outstanding leave entitlements.

	Short-term benefits		Post-employment benefits	Vesting of share-based payments	
31 March 2020	Cash salary and fees $	Movement in leave Provision $	Super-annuation $	Equity-settled $	Total $
Non-Executive Directors:					
Mark Hardgrave	45,662	-	4,338	10,230	60,230
Jeral D'Souza	18,124	-	1,722	-	19,846
Executive Directors:					
Gavin Xing	266,530	29,255	25,320	76,725	397,830
Zane Banson	199,038	12,206	18,909	51,150	281,303
Other Key Management Personnel:					
Kellie Barker	199,140	30,566	18,918	69,150	317,774
	728,494	72,027	69,207	207,255	1,076,983

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Non-Executive Directors:						
David Christie	100%	-	-	-	-	-
Jeral D'Souza	100%	100%	-	-	-	-
Steven Chaur	100%	-	-	-	-	-
Mark Hardgrave	100%	83%	-	-	-	17%
Executive Directors:						
Gavin Xing	100%	81%	-	-	-	19%
Other Key Management Personnel:						
Zane Banson	100%	82%	-	-	-	18%
Kellie Barker	100%	78%	-	-	-	22%

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

Name:	David Christie
Title:	Non-Executive Chairman
Agreement commenced:	9 June 2020
Term of agreement:	Open until a written notice of resignation is communicated by the Director
Details:	$135,000 plus superannuation in Director Fees

Name:	Jeral D'Souza
Title:	Non-Executive Director
Agreement commenced:	26 September 2019
Term of agreement:	Open until a written notice of resignation is communicated by the Director
Details:	$55,000 in Director Fees

Name:	Mr Steven Chaur
Title:	Non-Executive Director
Agreement commenced:	18 November 2020
Term of agreement:	Open until a written notice of resignation is communicated by the Director
Details:	$55,000 in Director Fees

Name:	Zane Banson
Title:	Chief Financial Officer
Agreement commenced:	8 June 2018
Term of agreement:	Less than 1 year of service - 1 week of notice From 1 to 3 years of service - 2 weeks of notice From 3 to 5 years of service - 3 weeks of notice More than 5 years of service - 4 weeks notice
Details:	$200,000 plus superannuation

Name:	Gavin Xing (resigned 8 January 2021)
Title:	Executive Chairman, Managing Director, CEO
Agreement commenced:	10 February 2016
Term of agreement:	From 1 to 3 years of service – 2 weeks of notice From 3 to 5 years of service – 3 weeks of notice More than 5 years of service – 4 weeks of notice
Details:	$230,000 plus superannuation as Managing Director $40,000 in Director fees remuneration is reviewed annually

Name:	Mark Hardgrave (resigned 9 June 2020)
Title:	Non-Executive Director
Agreement commenced:	1 March 2018
Term of agreement:	Open until a written notice of resignation is communicated by the Director
Details:	$50,000 in Director fees

Name:	Kellie Barker (resigned 12 January 2021)
Title:	Chief Operating Officer
Agreement commenced:	8 February 2016
Term of agreement:	From 1 to 3 years of service – 2 weeks of notice From 3 to 5 years of service – 3 weeks of notice More than 5 years of service – 4 weeks of notice
Details:	$200,000 plus superannuation

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 31 March 2021 are set out below:

Name	Date	Shares	Issue price
David Christie	19 February 2021	213,105	$0.188

Options
There were no options over ordinary shares granted to directors and other key management personnel as part of compensation during the year ended 31 March 2021.

Additional information

The earnings of the consolidated entity for the five years to 31 March 2021 are summarised below:

	31 March 2021 $	31 March 2020 $	31 March 2019 $	31 March 2018 $	31 March 2017 $
Net profit/(loss) after income tax	(6,232,809)	787,012	906,131	(434,062)	(176,244)

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

	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Share price at financial year end ($)	0.12	0.26	0.26	0.37	0.29

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held 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	Received as part of remuneration	Additions	Disposal on cessation of being a director or member of key management personnel	Balance at the end of the year
Ordinary shares					
David Christie	-	213,105	-	-	213,105
Zane Banson	444,500	-	-	-	444,500
Gavin Xing	10,427,727	-	465,000	(10,892,727)	-
Mark Hardgrave	242,557	-	-	(242,557)	-
Kellie Barker	10,250,000	-	-	(10,250,000)	-
	21,364,784	213,105	465,000	(21,385,284)	657,605

Option holding
The number of options over ordinary shares in the Company held 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	Granted	Expired/ forfeited/ other	Disposal on cessation of being a director or member of key management personnel	Balance at the end of the year
Options over ordinary shares					
Zane Banson	1,000,000	-	-	-	1,000,000
Gavin Xing	750,000	-	-	(750,000)	-
Mark Hardgrave	100,000	-	-	(100,000)	-
Kellie Barker	1,500,000	-	(1,000,000)	(500,000)	-
	3,350,000	-	(1,000,000)	(1,350,000)	1,000,000

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Wingara AG Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
13 June 2018	12 June 2021	$0.480	500,000
13 August 2018	12 August 2021	$0.480	500,000
23 December 2019	23 December 2022	$0.360	1,250,000
			2,250,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Wingara AG Limited issued on the exercise of options during the year ended 31 March 2021 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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 26 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 26 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 (including Independence Standards) 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 William Buck
There are no officers of the Company who are former partners of William Buck.

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
William Buck 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

Mr David Christie
Non-Executive Chairman

28 May 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF WINGARA AG LIMITED AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 31 March 2021 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
Director

Melbourne, 28 May 2021

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Wingara AG Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2021

	Note	Consolidated 31 March 2021 $	31 March 2020 $
Revenue			
Fodder sales		27,640,903	21,709,975
Services		10,368,509	13,347,620
Revenue		38,009,412	35,057,595
Cost of sales	5	(21,634,810)	(18,786,297)
Gross profit		16,374,602	16,271,298
Other income	6	679,866	184,730
Expenses			
Corporate, administration and operating expenses	7	(11,108,091)	(10,561,875)
Freight expenses		(4,797,525)	(2,607,395)
Earnings before finance costs, tax, depreciation and transaction expenses		1,148,852	3,286,758
Net gain/(loss) on disposal of property, plant and equipment	8	(12,613)	4,238,986
Depreciation		(2,898,913)	(2,467,356)
Impairment of receivables	10	(977,971)	-
Project and transaction expenses	8	(686,881)	(2,143,724)
Profit before finance costs and tax		(3,427,526)	2,914,664
Finance costs		(2,576,347)	(2,020,941)
Profit/(loss) before income tax expense		(6,003,873)	893,723
Income tax expense	9	(228,936)	(106,711)
Profit/(loss) after income tax expense for the year attributable to the owners of Wingara AG Limited		(6,232,809)	787,012
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of Wingara AG Limited		(6,232,809)	787,012
		Cents	**Cents**
Basic earnings/(loss) per share	34	(5.11)	0.75
Diluted earnings/(loss) per share	34	(5.11)	0.72

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

Wingara AG Limited
Statement of financial position
As at 31 March 2021

	Note	Consolidated 31 March 2021 $	31 March 2020 $
Assets			
Current assets			
Cash and cash equivalents		1,920,453	3,449,108
Trade and other receivables	10	3,458,294	2,547,883
Inventories	11	2,069,511	4,100,485
Other current assets		639,959	262,377
Total current assets		8,088,217	10,359,853
Non-current assets			
Property, plant and equipment	12	20,748,188	18,322,470
Right-of-use assets	13	23,241,791	24,128,944
Intangibles	14	1,816,075	1,816,075
Deferred tax	15	-	402,617
Security deposits		137,686	287,766
Total non-current assets		45,943,740	44,957,872
Total assets		54,031,957	55,317,725
Liabilities			
Current liabilities			
Trade and other payables	16	6,618,405	6,155,852
Borrowings	17	5,606,000	966,000
Lease liabilities	18	1,538,065	1,423,065
Income tax payable		-	193,382
Employee benefits		677,460	774,239
Total current liabilities		14,439,930	9,512,538
Non-current liabilities			
Borrowings	19	2,266,000	6,402,000
Lease liabilities	20	22,369,455	22,875,272
Employee benefits		99,745	87,009
Total non-current liabilities		24,735,200	29,364,281
Total liabilities		39,175,130	38,876,819
Net assets		14,856,827	16,440,906
Equity			
Issued capital	21	25,029,198	20,266,704
Reserves		212,377	434,141
Accumulated losses		(10,384,748)	(4,259,939)
Total equity		14,856,827	16,440,906

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

Wingara AG Limited
Statement of changes in equity
For the year ended 31 March 2021

Consolidated	Contributed equity $	Share based payment Reserves $	Accumulated losses $	Total equity $
Balance at 1 April 2019	19,976,954	165,500	(5,003,170)	15,139,284
Adjustment on adoption of AASB 16 (net of tax)	-	-	(43,781)	(43,781)
Balance at 1 April 2019 - restated	19,976,954	165,500	(5,046,951)	15,095,503
Profit after income tax expense for the year	-	-	787,012	787,012
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	787,012	787,012
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 21)	289,750	-	-	289,750
Vesting of share based payments	-	268,641	-	268,641
Balance at 31 March 2020	20,266,704	434,141	(4,259,939)	16,440,906

Consolidated	Contributed equity $	Share based payment Reserves $	Accumulated losses $	Total equity $
Balance at 1 April 2020	20,266,704	434,141	(4,259,939)	16,440,906
Loss after income tax expense for the year	-	-	(6,232,809)	(6,232,809)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(6,232,809)	(6,232,809)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 21)	4,762,494	-	-	4,762,494
Share-based payments (note 35)	-	9,000	-	9,000
Forfeiture/expiry of options	-	(230,764)	108,000	(122,764)
Balance at 31 March 2021	25,029,198	212,377	(10,384,748)	14,856,827

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

Wingara AG Limited
Statement of cash flows
For the year ended 31 March 2021

	Note	Consolidated 31 March 2021 $	31 March 2020 $
Cash flows from operating activities			
Receipts from customers		37,332,348	34,167,004
Payments to suppliers and employees		(36,530,105)	(30,633,924)
		802,243	3,533,080
Interest received		198	4,911
Proceeds from grant income		505,200	-
Interest and other finance costs paid		(970,985)	(2,020,941)
Income taxes paid		(19,701)	-
Net cash from operating activities	33	316,955	1,517,050
Cash flows from investing activities			
Payments for plant, equipment, and capital works in progress		(3,932,087)	(2,043,966)
Investment in security deposit		(117,920)	-
Proceeds from disposal of property, plant and equipment		32,634	21,033,320
Net cash from/(used in) investing activities		(4,017,373)	18,989,354
Cash flows from financing activities			
Proceeds from issue of shares	21	5,037,628	-
Proceeds from borrowings		2,000,000	5,810,000
Share issue transaction costs		(315,134)	-
Repayment of borrowings		(1,496,000)	(21,560,756)
Repayment of lease liabilities		(3,054,731)	(1,397,959)
Net cash from/(used in) financing activities		2,171,763	(17,148,715)
Net increase/(decrease) in cash and cash equivalents		(1,528,655)	3,357,689
Cash and cash equivalents at the beginning of the financial year		3,449,108	91,419
Cash and cash equivalents at the end of the financial year		1,920,453	3,449,108

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

Note 1. General information

The financial statements cover Wingara AG Limited as a consolidated entity consisting of Wingara AG Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Wingara AG Limited's functional and presentation currency.

Wingara AG Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

5-7 Leslie Road
Laverton North VIC 3206
Australia

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 28 May 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or 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 period.

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

Going concern
During the year, the Consolidated Entity generated a loss after tax of $6,232,809 (31 March 2020: after tax profit of $787,012), is reporting a net working capital deficiency of $6,351,713 (31 March 2020: positive net working capital of $847,315), and has received net cash inflows from operations of $316,955 (31 March 2020 inflows of $1,517,050). As at 31 March 2021, the Company had $1,920,453 in cash (31 March 2020: $3,449,108) and consolidated net assets of $14,856,827 (31 March 2020: $16,440,906).

Further to the above the Board of Directors of the Company notes the following events that have impacted upon the reported results of the Company for the period:

- Significant shipping delays which have increased working capital requirements and slowed the receipts;
- Roll over of $5m Inventory bank bill facility to 22nd December 2022; and
- The future losses of the Company have been significantly limited through the restructuring in the financial year ended 31 March 2021.

To achieve the Company’s objectives, ensure its continuing viability and its ability to continue as a going concern and to meet its debts and commitments as they fall due, the Board of Directors of the Company is pursuing the following strategies:

- The Company continues to enjoy strong cash receipts in both JC Tanloden and Austco Polar Cold Storage;
- The Company continues to closely monitor expenditure and will continue to identify cost reductions through improving and simplifying operating processes;
- The Board believes it has the ability to raise additional capital (through the placement capacity), and will engage with interested parties and shareholders on capital raising efforts at the appropriate time; and
- The Company continues to engage with its Bank who understand agriculture seasonality trends and continue to be supportive.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Note 2. Significant accounting policies (continued)

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').

This financial report may also include certain non-IFRS measures including earnings before finance costs, tax, depreciation, and transaction expenses. These measures are used internally by management to assess the performance of the consolidated entity and segments, to make decisions on the allocation of resources and assess operational management.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

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 3.

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 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Wingara AG Limited ('Company' or 'parent entity') as at 31 March 2021 and the results of all subsidiaries for the year then ended. Wingara AG Limited and its subsidiaries 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. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Wingara AG Limited's functional and presentation currency.

Note 2. Significant accounting policies (continued)

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.

Revenue 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.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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 period 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.

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

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

Income tax
The income tax expense or benefit for the period is the tax payable on that period'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 periods, where applicable.

Note 2. Significant accounting policies (continued)

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.

Based on a review during the year it was determined that the deferred tax asset should no longer be recognised.

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.

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 period; 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 period. 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 period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Provisions
Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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.

Inventories
Inventories are stated fair value. Fair value has been calculated with reference to the market price of hay.

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 period ended 31 March 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. 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.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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 and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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.

Based on a review during the year it was determined that the deferred tax asset should no longer be recognised.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into two operating segments:

- Acting as product processor and marketer of agricultural products in Australia (Fodder business); and
- Acting as service provider for manufacturers, providing temperature controlled facilities, blast freezing, storage and distribution (Service business).

The two segments are fully reflected in the body of the consolidated year financial statements.

During the financial year ended 31 March 2021, revenue from exporting to Asia and domestic sales contributed to 99% and 1% respectively of the total revenue in the Fodder business (31 March 2020: 74% and 26% respectively). Revenue from the Service business was made up of 100% domestic sales (31 March 2020: 100%). Additionally, revenue generated from Fodder business segment was 73% (31 March 2020: 62%) and from cold storage segment amounted to 27% (31 March 2020: 38%) of total revenue.

Note 4. Operating segments (continued)

During the financial year ended 31 March 2021, sales to one major customer in Fodder business and one major customer in the Service business contributed to 12% and 16% respectively of the consolidated entity's total revenue (31 March 2020: 11% and 14% respectively). No other single customers contributed 10% or more to the consolidated entity's revenue for the year.

Corporate division includes the financial results of Wingara AG Limited, being the parent entity of the consolidated entity. All segments and the corporate division operate and reside in Australia, being the only geographical segment and all of the consolidated entity's assets are held in Australia.

The consolidated entity has included certain non-IFRS measures including earnings before depreciation, finance costs, transaction costs and tax. These measures are used internally by management to assess the performance of the consolidated entity and segments, to make decisions on the allocation of resources and assess operational management.

Operating segment information

Consolidated - 31 March 2021	Fodder Business $	Service Business $	Corporate $	Total $
Revenue				
Segment revenue	27,640,903	10,368,509	-	38,009,412
Total revenue	27,640,903	10,368,509	-	38,009,412
Segment EBITDA	2,155,399	1,344,849	(2,351,396)	1,148,852
Depreciation, impairment of receivables, and project and transaction costs	(2,148,035)	(2,302,492)	(125,851)	(4,576,378)
Finance costs	(1,054,198)	(1,507,865)	(14,284)	(2,576,347)
Loss before income tax expense	(1,046,834)	(2,465,508)	(2,491,531)	(6,003,873)
Income tax expense				(228,936)
Loss after income tax expense				(6,232,809)
Assets				
Segment assets	28,864,320	24,888,802	278,835	54,031,957
Total assets				54,031,957
Liabilities				
Segment liabilities	16,207,928	21,977,774	989,428	39,175,130
Total liabilities				39,175,130

Note 4. Operating segments (continued)

Consolidated - 31 March 2020	Fodder Business $	Service Business $	Corporate $	Total $
Revenue				
Segment revenue	21,709,975	13,347,620	-	35,057,595
Total revenue	21,709,975	13,347,620	-	35,057,595
Segment EBITDA	3,118,701	1,901,318	(1,733,261)	3,286,758
Depreciation, finance, and transaction costs	(2,088,128)	(2,877,665)	(1,666,228)	(6,632,021)
Gain on disposal of property, plant and equipment	(8,727)	4,247,713	-	4,238,986
Profit/(loss) before income tax expense	1,021,846	3,271,366	(3,399,489)	893,723
Income tax expense				(106,711)
Profit after income tax expense				787,012
Assets				
Segment assets	27,844,471	26,112,925	1,360,329	55,317,725
Total assets				55,317,725
Liabilities				
Segment liabilities	14,778,103	23,213,157	885,559	38,876,819
Total liabilities				38,876,819

Accounting policy for 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.

Disaggregation of revenue
The disaggregation of revenue is as follows:

Consolidated - 31 March 2021	Fodder Business $	Service Business $	Total $
Timing of revenue recognition			
Goods transferred at a point in time	27,640,903	-	27,640,903
Services transferred over time	-	10,368,509	10,368,509
	27,640,903	10,368,509	38,009,412

Consolidated - 31 March 2020	Fodder Business $	Service Business $	Total $
Timing of revenue recognition			
Goods transferred at a point in time	21,709,975	-	21,709,975
Services transferred over time	-	13,347,620	13,347,620
	21,709,975	13,347,620	35,057,595

Note 5. Cost of sales

	Consolidated	
	31 March 2021 $	31 March 2020 $
Fodder purchases	16,241,713	12,778,514
Labour costs	4,137,784	5,314,117
Other direct costs	1,255,313	693,666
	21,634,810	18,786,297

Note 6. Other income

	Consolidated	
	31 March 2021 $	31 March 2020 $
Government grants	505,200	-
Other income	174,468	184,730
Interest revenue	198	-
Other income	679,866	184,730

Accounting Policy for Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Note 7. Corporate, administration and operating expenses

	Consolidated	
	31 March 2021 $	31 March 2020 $
Employee related expenses	5,804,520	3,820,268
Utilities	1,151,545	3,621,513
External consultancy and audit expenses	473,689	331,437
Plant expenses	2,330,013	2,175,770
Administration expenses	1,348,324	612,887
	11,108,091	10,561,875

Note 8. Profit and loss information

Net gain on disposal or property, plant and equipment

During the year, the consolidated entity recognised a net $12,613 loss from disposal of a number of motor vehicles.

In July 2019, the consolidated entity signed the sale of the Austco Polar Cold Storage property with lease back terms of 15 years and two further 10-year options. The transaction allowed Wingara to unlock a capital gain and decrease its gearing ratio to pursue its growth strategy. A net gain on disposal of $4,247,713 was recognised.

Project and transaction expenses

In the prior period, project and transaction costs were associated with fees incurred in relation to the sale of Austco property and development of Wingara Group in line with the growth strategy of building a sustainable platform for processing and marketing agricultural products.

	Consolidated	
	31 March 2021 $	31 March 2020 $
Transaction fees	-	610,467
Due diligence & project management	250,460	974,866
Share based payments	49,000	558,391
Options forfeited *	(122,764)	-
Capital raise & share placement costs	14,609	-
Impairment of capitalised project costs **	495,576	-
	686,881	2,143,724

* Options previously issued to Mr Gavin Xing, Mr Mark Hardgrave, Ms Kellie Barker, and Mr Oliver Carton were forfeited on their resignation from the Company.

** An impairment of Capitalised project costs was realised due to a review of projects during the financial year. Accordingly a portion of labour capitalised was impaired.

Note 9. Income tax expense/(benefit)

	Consolidated	
	31 March 2021 $	31 March 2020 $
Income tax expense/(benefit)		
Current tax	(1,929,674)	188,904
Adjustment recognised for prior periods	(440,587)	5,064
Deferred tax expense (income)	2,487,870	(87,257)
Change in tax rate	111,327	-
Aggregate income tax expense	228,936	106,711

Note 9. Income tax expense/(benefit) (continued)

	Consolidated 31 March 2021 $	Consolidated 31 March 2020 $
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax expense	(6,003,873)	893,723
Tax at the statutory tax rate of 26% (2020: 27.5%)	(1,561,007)	245,774
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible permanent differences	-	88,576
Temporary differences	-	(222,988)
Tax losses deducted	-	113,374
Gain on bargain purchase	-	(123,089)
Bank revaluations	75,797	-
ATO cash flow boost	(52,000)	-
Derecognition of DTA on legal fees as part of prior year sale	61,164	-
Change in tax rate	111,327	-
Other items	(15,590)	-
Impairment of prior year DTA	402,617	-
Current year tax losses not recognised	1,323,197	-
	345,505	101,647
Adjustment recognised for prior periods	(116,569)	5,064
Income tax expense/(benefit)	228,936	106,711

The consolidated entity has unconfirmed, unrecouped tax losses in Australia which have not been brought to account. The ability to be able to recognise a deferred tax asset in respect of these tax losses will be dependent upon the probability that future taxable profit will be available against which the unused tax losses can be utilised and the conditions for deductibility imposed by Australian tax authorities will be complied with.

Note 10. Current assets - trade and other receivables

	Consolidated 31 March 2021 $	Consolidated 31 March 2020 $
Trade receivables	3,458,294	2,547,883

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

	Consolidated 31 March 2021 $	Consolidated 31 March 2020 $
0 to 3 months overdue	3,421,050	2,447,737
3 to 6 months overdue	-	29,742
Over 6 months overdue	37,244	70,404
	3,458,294	2,547,883

Note 10. Current assets - trade and other receivables (continued)

Accounting policy for 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 14 to 60 days.

Trade receivables are amounts due from customers for goods and services provided in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

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.

With the exception of below, bad and doubtful debts are rare for the consolidated entity. Any provision for expected credit losses would have an immaterial impact on the financial statements.

Impairment of receivables

The consolidated entity recorded an impairment of receivables of $977,971 related primarily to JC Tanloden. The impairment of these receivables related to the deterioration of the relationship with an International customer and upon pursuit of the outstanding receivables, they were deemed to be unrecoverable. The impairment of these debts has not impacted production nor sales volumes.

Note 11. Current assets - inventories

	Consolidated	
	31 March 2021 $	**31 March 2020 $**
Stock on hand - Fodder business	2,069,511	4,100,485

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	30 September 2020 $	31 March 2020 $
Property, plant and equipment	18,143,022	17,157,891
Capital work-in-progress	2,605,166	1,164,579
	20,748,188	18,322,470

Note 12. Non-current assets - property, plant and equipment (continued)

	Consolidated 31 March 2021 $	Consolidated 31 March 2020 $
Freehold land	521,929	521,929
Freehold buildings	11,134,973	11,134,973
Less: Accumulated depreciation	(575,975)	(288,840)
	10,558,998	10,846,133
Plant and equipment	7,372,142	5,648,364
Less: Accumulated depreciation	(1,226,845)	(683,065)
	6,145,297	4,965,299
Fixtures and fittings	456,063	435,418
Less: Accumulated depreciation	(130,905)	(87,245)
	325,158	348,173
Machinery and vehicles	321,664	338,681
Less: Accumulated depreciation	(191,669)	(170,795)
	129,995	167,886
Spare parts and software/IT	908,155	673,816
Less: Accumulated depreciation	(446,510)	(365,345)
	461,645	308,471
Capital work-in-progress	2,605,166	1,164,579
	20,748,188	18,322,470

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

Consolidated	Freehold land $	Freehold buildings $	Plant and equipment $	Fixtures and fittings $	Machinery and vehicles $	Spare parts and software/IT $	Capital work-in-progress $	Total $
Balance at 1 April 2020	521,929	10,846,133	4,965,299	348,173	167,886	308,471	1,164,579	18,322,470
Additions	-	-	1,711,617	16,369	15,000	234,341	1,936,163	3,913,490
Disposals	-	-	(2,135)	-	(29,102)	-	-	(31,237)
Impairment of assets	-	-	-	-	-	-	(495,576)	(495,576)
Transfers in/(out)	-	-	-	-	18,745	-	-	18,745
Depreciation expense	-	(287,135)	(529,484)	(39,384)	(42,534)	(81,167)	-	(979,704)
Balance at 31 March 2021	521,929	10,558,998	6,145,297	325,158	129,995	461,645	2,605,166	20,748,188

Accounting policy for 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 and commissioning of the items. This can include purchase of machinery, labour costs, inventory used for testing and any other applicable expenses determined by management.

Note 12. Non-current assets - property, plant and equipment (continued)

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 consolidated entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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	40 years
Plant and equipment	2 - 20 years
Furniture, fittings and equipment	2 - 20 years
Motor vehicles	5 - 7 years
Others	3 - 20 years

Land is not depreciated because land is assumed to have an unlimited useful life.

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the consolidated entity's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Where property, plant and equipment is still in construction and considered capital work-in-progress, the asset will be carried on the balance sheet and will begin depreciation once its useful life begins.

Note 13. Non-current assets - right-of-use assets

	Consolidated	
	31 March 2021 $	31 March 2020 $
Land and buildings - right-of-use	21,745,623	21,551,457
Less: Accumulated depreciation	(2,474,633)	(1,659,170)
	19,270,990	19,892,287
Plant and equipment - right-of-use	4,665,817	4,665,818
Less: Accumulated depreciation	(894,137)	(570,499)
	3,771,680	4,095,319
Motor vehicles - right-of-use	289,635	233,118
Less: Accumulated depreciation	(90,514)	(91,780)
	199,121	141,338
	23,241,791	24,128,944

Note 13. Non-current assets - right-of-use assets (continued)

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

Consolidated	Land and buildings $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 April 2020	19,892,287	4,095,318	141,339	24,128,944
Additions	935,005	-	112,317	1,047,322
Transfers in/(out)	-	-	(18,744)	(18,744)
Depreciation expense	(1,556,302)	(323,638)	(35,791)	(1,915,731)
Balance at 31 March 2021	19,270,990	3,771,680	199,121	23,241,791

Accounting policy for 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.

Note 14. Non-current assets - intangibles

	Consolidated	
	31 March 2021 $	**31 March 2020 $**
Goodwill - at cost	31,711	31,711
Export license - at cost	1,784,364	1,784,364
	1,816,075	1,816,075

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Note 14. Non-current assets - intangibles (continued)

Trademarks and licenses
Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have an indefinite useful life as they can be renewed for only a trivial amount at expiry of licence period without incurring significant costs and time and are subsequently carried at cost less accumulated amortisation and impairment losses. These assets with indefinite useful life are tested for impairment on an annual basis.

(i) Impairment tests for goodwill & export license
The following key assumptions were used in the discounted cash flow model: (a) 12.77% post-tax discount rate (2020: 15.11%); (b) 5.00% per annum projected revenue growth rate (2020: 5.00%); (c) 46% gross margin (2020: 49%); (d) 2.50% per annum terminal value growth rate (2020: 2.50%).

- The post-tax discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying asset that have not be incorporated in the cash flows model. The discount rate calculation is based on the specific circumstances of the CGU, and is derived from its weighted average cost of capital ('WACC'). The WACC includes both cost of debt and equity. The cost of debt is based on the interest-bearing borrowings the CGU is obliged to service. The cost of equity is based on the expected return on investment by the Company's shareholders. In calculation of the cost of equity, management has accounted for the segment-specific risk by applying the beta factor, which is publicly available market data.
- Revenue growth rate of 5.00% in subsequent years is derived based on a combination of historical performance references, market outlooks and current expansion and development plan of the business.
- The estimation of the annual operating costs and overheads increase is consistent with the revenue growth as majority of the costs are variable by nature.
- The estimated terminal value growth rate was set at 2.5% (2020: 2.5%).

There were no other key assumptions.

(ii) Sensitivity
As disclosed in note 3, the directors have made judgements and estimates in revenue growth and operating costs/overheads level in respect of impairment testing of goodwill and export license. Should these judgements and estimates not occur the resulting goodwill and export license carrying amount may decrease.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill and export license is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

No reasonably possible change in the assumptions used in the impairment calculation would generate an impairment charge.

Note 15. Non-current assets - deferred tax

	Consolidated	
	31 March 2021 $	**31 March 2020 $**
Deferred tax asset	-	402,617

Deferred tax balances were derecognised in the current year.

Note 16. Current liabilities - trade and other payables

	Consolidated	
	31 March 2021 $	31 March 2020 $
Trade payables	5,378,075	5,383,522
Statutory payables	310,171	337,901
Other payables	930,159	434,429
	6,618,405	6,155,852

Refer to note 23 for further information on financial instruments.

Accounting policy for 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 to 90 days of recognition.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Note 17. Current liabilities - borrowings

	Consolidated	
	31 March 2021 $	31 March 2020 $
Commercial facilities	1,086,000	966,000
Revolving loan facility	4,520,000	-
	5,606,000	966,000

Refer to note 23 for further information on financial instruments.

Total secured liabilities
- Westpac tailored commercial facility with a facility limit of $1,402,000 (31 March 2020: $2,368,000). The facility is subject to BBSY rate plus a margin of 1.72% (31 March 2020: 1.90%) per annum and line fee of 1.00% (31 March 2020: 1.00%) per annum. The duration of this facility is five (5) years. Interest to be paid monthly plus monthly principal reductions of $80,500.
- Westpac tailored commercial facility with a facility limit of $1,950,000 (31 March 2020: nil). The facility is subject to BBSY rate plus a margin of 1.67% per annum and line fee of 1% per annum. The duration of this facility is four (4) years. Interest to be paid monthly plus monthly principal reductions of $10,000.
- Revolving loan facility with a facility limit of $5,000,000 (31 March 2020: $5,000,000). This facility is subject to BBSY rate plus a margin of 1.42% (31 March 2020: 1.46%) per annum and a line fee of 1.00% (31 March 2020: 1.00%) per annum. The term of this facility is 18 months, subject to satisfactory annual review. Monthly repayment consists of interest and fees only. Total amount owing has to be paid on the last day of the term. The facility matures in July 2021, therefore the entire outstanding balance has been classified as a current liability at 31 March 2021. Subsequent to year end, the facility was extended from an expiry of July 2021 to December 2022.

Accounting policy for 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. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Note 17. Current liabilities - borrowings (continued)

Assets pledged as security
The commercial bill and loan are secured by machinery and equipment owned by the consolidated entity.

Note 18. Current liabilities - lease liabilities

	Consolidated	
	31 March 2021 $	31 March 2020 $
Lease liability	1,538,065	1,423,065

Refer to note 23 for further information on financial instruments.

Accounting policy for lease liabilities
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the consolidated entity. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases motor vehicles under agreements of five years.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the consolidated entity’s incremental borrowing rate.

Note 19. Non-current liabilities - borrowings

	Consolidated	
	31 March 2021 $	31 March 2020 $
Commercial facilities	2,266,000	1,402,000
Revolving loan facility	-	5,000,000
	2,266,000	6,402,000

Refer to note 23 for further information on financial instruments.

Refer to note 17 for further information on the Commercial and revolving loan facilities.

Note 20. Non-current liabilities - lease liabilities

	Consolidated	
	31 March 2021 $	31 March 2020 $
Lease liability	22,369,455	22,875,272

Refer to note 23 for further information on financial instruments.

Refer to note 18 for further information on lease liabilities.

Note 21. Equity - issued capital

	Consolidated			
	31 March 2021 Shares	31 March 2020 Shares	31 March 2021 $	31 March 2020 $
Ordinary shares - fully paid	132,782,273	106,055,335	25,029,198	20,266,704

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 April 2020	106,055,335		20,266,704
Placement	24 August 2020	26,513,833	$0.190	5,037,628
Issue of shares under Employee Share Scheme	19 February 2021	213,105	$0.188	40,000
Less capital raising fees				(315,134)
Balance	31 March 2021	132,782,273		25,029,198

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.

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. It is also to maintain an optimal mix between debt and equity to minimise the cost of capital.

In order to achieve this objective, the consolidated entity seeks to maintain adequate levels of external borrowings from reputable financial institutions and further contribution of shareholders through capital raising to enable the consolidated entity to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, management considers various alternatives from issue of new equity/debt instruments such as shares or options, convertible notes to extending the current debt facility.

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.

Consistent with others in the industry, the consolidated entity monitors capital on the basis of the following gearing ratios:

Note 21. Equity - issued capital (continued)

- Net debt to equity ratio, being total liabilities divided by total equity at market value; and
- Borrowings to equity ratio, being total borrowings divided by total equity at market value.

Total equity at market value represents total fully paid ordinary shares at market value less other reserves and accumulated losses.

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

Accounting policy for 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.

Note 22. Equity - dividends

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

Note 23. 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, commodity price risk and interest rate risk), credit risk and liquidity risk. The key financial instruments impacted include cash and cash equivalents, receivables, other financial assets, trade and other trade payables and borrowings.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity's finance function. The Board receives quarterly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in US dollars (US$) and is exposed to foreign currency risk through foreign exchange rate fluctuations. As at 31 March 2021, the consolidated entity held $2,688,360 (2020: $1,838,397) worth of trade receivables and cash at bank of $222,629 (2020: $639,505) that were denominated in US$.

Based on this exposure, the following sensitivity analysis has been performed. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

	AUD strengthened			**AUD weakened**		
Consolidated - 31 March 2021	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Trade receivables - US dollars	10%	268,836	268,836	(10%)	(268,836)	(268,836)
Cash at bank - US dollars	10%	22,263	22,263	(10%)	(22,263)	(22,263)

Note 23. Financial instruments (continued)

	AUD strengthened			AUD weakened		
Consolidated - 31 March 2020	**$ change**	**Effect on profit before tax**	**Effect on equity**	**$ change**	**Effect on profit before tax**	**Effect on equity**
Trade receivables - US dollars	10%	183,340	183,340	(10%)	(183,340)	(183,340)
Cash at bank - US dollars	10%	63,951	63,951	(10%)	(63,951)	(63,951)

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 consolidated entity makes use of derivative financial instruments to hedge foreign exchange risk by engaging in forward foreign exchange contracts to mitigate the impact of foreign exchange rate fluctuations. The company follows a formal foreign exchange risk management framework and policy.

Commodity price risk
The consolidated entity is affected by the price volatility of hay which is a type of commodity. Its operating activities require the ongoing trading of hay and therefore require a continuous supply of hay. Due to the nature of the commodity being significantly seasonal, the consolidated entity mitigates the risk of hay price fluctuating unfavourably by working closely with its suppliers to forecast supply volume in upcoming season, along with customer demands.

Based on this assessment, management adjusts its level of purchase and storage to maintain a reasonable level of inventory in stock to meet with future demands and avoid any potential shortage due to bad weather. Prices paid to suppliers for inventory are fixed for the life of the contract and re-negotiated once the contract has finished. Contracts signed with customers are re-negotiated at every new hay season to reflect the fluctuation on the hay price and thus the price risk is passed on to customers.

Interest rate risk
The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk.

The consolidated entity manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The consolidated entity works closely with reputable financial institutions to achieve the most optimal facilities available on the market which can be used to fund the consolidated entity's operations at an affordable cost of debt.

As at 31 March 2021, the consolidated entity held $7,872,000 in variable rate borrowings (2020: $7,368,000). Should the market interest rates fluctuate by 50 basis points, the impact to the consolidated entity's profit or loss is approximately $39,360 (2020: $36,840).

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 manages credit risk and the losses which could arise from default by ensuring that financial assets such as cash at bank are held with reputable organisations. Management monitors the approval of new credit limit and collection process.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The credit quality of financial assets that are neither past due nor impaired can be assessed by the consolidated entity's senior management having continuous discussion with counter parties to thoroughly assess their financial position and ability to make repayment

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.

Note 23. Financial instruments (continued)

Liquidity risk arises from the consolidated entity's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the consolidated entity may encounter difficulty in meeting its financial obligations as they fall due. Depending on the facility type, the debt covenant requires the consolidated entity to make a pre-determined amount of payment towards interest and principal each month or each quarter.

The consolidated entity monitors the liquidity ratio in a monthly basis and seeks to maintain sufficient cash balances (or agreed facilities) to meet all current obligations which are due within the next 12 months.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	31 March 2021 $	**31 March 2020 $**
Overdraft	600,000	600,000
Bank guarantee	1,940,000	1,940,661
Corporate card	80,000	80,000
Revolving loan facility	480,000	-
	3,100,000	2,620,661

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 - 31 March 2021	1 month or less $	Between 1 to 6 months $	Between 6 to 12 months $	Over 1 year $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	4,804,750	573,325	-	-	5,378,075
Other payables	752,230	488,100	-	-	1,240,330
Interest-bearing - variable					
Lease liability	258,607	1,303,866	1,584,707	33,033,164	36,180,344
Borrowings	90,500	452,500	5,063,000	2,266,000	7,872,000
Total non-derivatives	5,906,087	2,817,791	6,647,707	35,299,164	50,670,749

Consolidated - 31 March 2020	1 month or less $	Between 1 to 6 months $	Between 6 to 12 months $	Over 1 year $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	3,025,137	2,358,385	-	-	5,383,522
Other payables	572,411	199,919	-	-	772,330
Interest-bearing - variable					
Lease liability	118,589	592,945	711,531	22,875,272	24,298,337
Borrowings	80,500	402,500	483,000	6,402,000	7,368,000
Total non-derivatives	3,796,637	3,553,749	1,194,531	29,277,272	37,822,189

Note 23. Financial instruments (continued)

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 24. Fair value measurement

Accounting policy for 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.

Note 25. Key management personnel disclosures

Directors
The following persons were directors of Wingara AG Limited during the financial year:

Mr David Christie	Non-Executive Director (appointed 9 June 2020), subsequently appointed Non-Executive Chairman on 14 September 2020
Mr Jeral D'Souza	Non-Executive Director
Mr Steven Chaur	Non-Executive Director (appointed 18 November 2020)
Mr Zane Banson	Executive Director and Chief Financial Officer (resigned as director on 18 November 2020)
Mr Gavin Xing	Executive Chairman and Managing Director, subsequently appointed Managing Director and CEO on 14 September 2020, resigned from the company on 8 January 2021
Mr Mark Hardgrave	Non-Executive Director (resigned 9 June 2020)

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

	Consolidated	
	31 March 2021 $	31 March 2020 $
Short-term employee benefits	862,775	800,521
Post-employment benefits	74,344	69,207
Termination benefits	146,538	-
Share-based payments	40,000	207,255
	1,123,657	1,076,983

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	Consolidated	
	31 March 2021 $	31 March 2020 $
Audit services - William Buck		
Audit or review of the financial statements	73,470	69,000
Other services - William Buck		
Other assurance services	1,000	-
Due diligence	-	59,580
	1,000	59,580
	74,470	128,580

Note 27. Contingent liabilities

The consolidated entity had no contingent liabilities at 31 March 2021 (2020: nil).

Note 28. Commitments

The consolidated entity did not have any capital commitment as at 31 March 2021 (2020: Nil).

Note 29. Related party transactions

Parent entity
Wingara AG Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

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

	Consolidated	
	31 March 2021 $	31 March 2020 $
Other transactions:		
Shares issued to directors *	40,000	187,500

* During the year, the Company issued 213,105 fully paid ordinary to David Christie as part of the Company's Employee Share Scheme.

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

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

Note 29. Related party transactions (continued)

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	31 March 2021 $	**31 March 2020 $**
Loss after income tax	(2,498,690)	(3,529,035)
Total comprehensive loss	(2,498,690)	(3,529,035)

Statement of financial position

	Parent	
	31 March 2021 $	**31 March 2020 $**
Total current assets	(1,928,775)	873,340
Total assets	10,669,324	13,505,036
Total current liabilities	1,091,008	6,030,279
Total liabilities	1,157,078	6,148,825
Equity		
Issued capital	25,035,197	20,266,704
Options reserve	212,377	434,141
Accumulated losses	(15,735,328)	(9,815,599)
Total equity	9,512,246	10,885,246

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The Parent entity, Wingara AG Limited provides corporate guarantees to its subsidiaries as at 31 March 2021.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 March 2021 and 31 March 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 March 2021 and 31 March 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 31 March 2021 %	Ownership interest 31 March 2020 %
Elect Performance Group Pty Ltd	Australia	100.00%	100.00%
JC Tanloden Victoria Pty Ltd	Australia	100.00%	100.00%
Austco Polar Cold Storage Pty Ltd	Australia	100.00%	100.00%

Note 32. Events after the reporting period

On 21 April 2021 the Company announced that it had appointed James Whiteside as CEO, effective 1 July 2021.

Subsequent to year end, the revolving loan facility with a limit of $5,000,000 was extended from an expiry of July 2021 to December 2022 moving it from a current facility to a non-current facility.

No other matter or circumstance has arisen since 31 March 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 33. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated 31 March 2021 $	Consolidated 31 March 2020 $
Profit/(loss) after income tax expense for the year	(6,232,809)	787,012
Adjustments for:		
Depreciation and amortisation	2,911,251	2,467,356
Impairment of non-current assets	440,576	-
Net loss/(gain) on disposal of property, plant and equipment	12,613	(4,238,986)
Share-based payments	49,000	268,641
Non cash finance costs	1,605,362	-
Issuance of shares to senior management	-	289,750
Gain on forfeited options	(122,764)	-
Forfeit of rental bond	268,000	-
Impairment of trade receivables	977,971	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,888,382)	(1,030,898)
Decrease in inventories	2,030,973	1,262,173
Decrease/(increase) in deferred tax assets	402,617	(109,614)
Increase in other assets	(322,582)	(258,258)
Increase in trade and other payables	462,553	1,996,624
Decrease in provision for income tax	(193,382)	-
Increase/(decrease) in employee benefits	(84,042)	83,250
Net cash from operating activities	316,955	1,517,050

Note 34. Earnings per share

	Consolidated 31 March 2021 $	Consolidated 31 March 2020 $
Profit/(loss) after income tax attributable to the owners of Wingara AG Limited	(6,232,809)	787,012

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	121,986,989	105,105,335
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	3,000,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	121,986,989	108,105,335

	Cents	Cents
Basic earnings/(loss) per share	(5.11)	0.75
Diluted earnings/(loss) per share	(5.11)	0.72

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Wingara AG Limited, 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.

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.

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 'Earnings Per Share'. The rights to options are non-dilutive as the consolidated entity is loss generating.

Note 35. Share-based payments

An employee share option plan has been established by the consolidated entity, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of options granted under the plan. There were no options granted during the current year.

31 March 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
31/10/2017	30/10/2020	$0.395	2,000,000	-	-	(2,000,000)	-
13/06/2018	12/06/2021	$0.480	500,000	-	-	-	500,000
13/08/2018	12/08/2021	$0.480	500,000	-	-	-	500,000
23/12/2019	23/12/2022	$0.360	2,450,000	-	-	(1,200,000)	1,250,000
			5,450,000	-	-	(3,200,000)	2,250,000

Note 35. Share-based payments (continued)

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

During the year, a share based payment expense of $49,000 was recognised (2020: $558,391). In addition, options previously issued to Mr Gavin Xing, Mr Mark Hardgrave, Ms Kellie Barker, and Mr Oliver Carton were forfeited on their resignation from the Company. The gain on forfeiture recognised was $122,764 (2020: nil).

Wingara AG Limited
Directors' declaration
31 March 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 2 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 31 March 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

Mr David Christie
Non-Executive Chairman

28 May 2021

Wingara AG Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wingara AG Limited (the Company and its subsidiaries (the Consolidated Entity)), which comprises the consolidated statement of financial position as at 31 March 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 Consolidated Entity, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 31 March 2021 and of its financial performance for the year ended on that date; and

(ii) 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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements which indicates that the Consolidated Entity incurred a net loss before income tax of $6,232,809 and is in a net current deficiency of $6,351,713. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise its assets and extinguish its liabilities in the

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normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

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 year. 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.

INVENTORY	
Area of focus **Refer also to note 2 and 11**	**How our audit addressed it**
The Consolidated Entity's inventory of $2.07 million is significant to the financial statements. The valuation of inventory involves significant judgement by management given that the inventory is hay, which is subject to fluctuations in price owing to commodity price movements and the potential for variability in its quality.	Our audit procedures included: — Performing physical inventory sample counts to ensure the existence of inventory and its condition, including cut-off procedures; — Evaluating management's judgement and assumptions in determining the valuation of the hay at balance date; and — Reviewing subsequent product sales to ensure inventory was valued at the lower of cost and net realisable value and the aging and condition of the hay. We have also assessed the adequacy of disclosures in the notes to the financial report.

ACQUISITION OF PLANT AND EQUIPMENT	
Area of focus **Refer also to notes 2 and 12**	**How our audit addressed it**
During the financial year the Consolidated Entity continued to acquire significant amounts of plant and equipment. The capitalisation of these assets requires significant judgement as costs are only recognised as an asset if it is probable that future economic benefits will flow to the entity and that the costs can be reliably measured. There are multiple elements of cost included in the total value of these additions, which include labour and overhead required to bring the assets into service. The Consolidated Entity's accounting policy for depreciating such plant and equipment is over the term of the useful life of the asset, from when it is held ready for use.	Our audit procedures included: — Reviewing the purchase documentation and independent valuation reports (where applicable) associated with the purchase of assets; — Performing audit procedures around other directly attributable costs capitalised in conjunction with the purchases; — Assessing the classification of plant and equipment between categories, including capital-work-in progress; — Reviewing the reasonableness and consistency of the useful lives including the impairment charge recorded in the year; and — Recalculating the arithmetic accuracy of the depreciation charge expensed for the year. We have also assessed the adequacy of disclosures in the notes to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Consolidated Entity's report for the year ended 31 March 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 Consolidated Entity 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 Consolidated Entity or to cease operations, or has 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 statements as a whole are 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 these financial statements. A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 March 2021.

In our opinion, the Remuneration Report of Wingara AG Limited, for the year ended 31 March 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.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

A. A. Finnis
Director

Melbourne, 28 May 2021