



ABUNDANT PRODUCE LIMITED

ABN 46 606 255 887

Annual Report
30 June 2017

Chairman's and Chief Executive Officer's Report	3
Directors' Report.....	7
Auditor's Independence Declaration	16
Consolidated Statement of Profit or Loss and Other Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Changes in Equity.....	19
Consolidated Statement of Cash Flows	20
Notes to Financial Statements.....	21
Directors Declaration	44
Independent Auditor's Report.....	45
Corporate Governance Statement.....	49
Shareholder Information	59

Chairman's and Chief Executive Officer's Report

We welcome our shareholders to Abundant Produce Limited's ("ABT") first annual financial report covering a full twelve months of operations.

OPERATIONAL AND FINANCIAL REPORT

We are pleased to report that during the year, the company met its target to enter into a commercialization agreement with a major international distributor. In fact the agreement exceeded our initial expectations. In addition to facilitating the distribution of nominated cucumber varieties, the agreement provides a mechanism for including further cucumber and tomato varieties over the next five years. It also envisages the two businesses working closely together, combining plant traits to co-develop new varieties.

The second significant milestone (not foreshadowed in the IPO prospectus) was the establishment of Abundant Natural Health Pty Ltd (ANH) to exploit ABT's plant breeding intellectual property to generate a second, entirely separate revenue stream. Led by CEO Shanan Birkin, ANH is developing a range of nutraceutical skin care products based on scientifically validated active botanical extracts. ANH combines Sydney University's plant breeding expertise with cutting edge extraction technologies from University of NSW. ANH leverages ABT's strengths in plant science to diversify revenues, accessing a second international market.

COMPANY STRUCTURE

ABT remains a plant IP technologist, now breeding vegetable varieties for both the food and nutraceutical industries. Both industries are science based, plant derived, and global. Both offer high expected growth rates driven by population growth, Asia's quickly expanding middle class and consumer concerns about the toxicity of chemicals used in both food and cosmetics production.

In addition to diversifying revenue, ANH sits at the nexus of a unique collaboration between two of Australia's senior research institutions. At the University of Sydney Plant Breeding Institute, we develop new vegetable varieties to be high in sought after botanical ingredients. We then work with the University of NSW School of Chemical Engineering to develop the best method of extracting the active ingredients from the plants without damaging the delicate botanical structures that make them effective. UNSW provides chemical analysis of the extracts, providing additional insights, which feed back into the breeding program. This combination has a multiplier effect, expanding our IP generation and opening a whole new world of applications of plant derived products.

The following chart illustrates the current company structure. Abundant Produce Limited will be renamed Abundant Corporation Limited. It will continue to provide financial and strategic management and corporate services (including ASIC and ASX compliance) to the subsidiaries.

Abundant Produce Australia Pty Ltd will be renamed Abundant Seeds Pty Ltd recognising its continued and exclusive focus on developing IP for the vegetable seed market.

Abundant Natural Health Pty Ltd is establishing its own management team under CEO, Shanan Birkin, to focus exclusively on nutraceutical product development and sales.

This structure provides the flexibility and management focus needed for the two businesses companies to grow, and caters for possible future expansion.

Chairman's and Chief Executive Officer's Report (cont)

ABUNDANT SEEDS

ABT's listing was based on our potential to profit from breeding new plant varieties for the global vegetable seed market. In 2016, global vegetable seed sales were estimated at USD 7.81 billion and the market is forecast to grow at double-digit annual rates over the 2017-2022 period. The company's initial strategy was to utilise a number of distributors including one of the 'big five' major international distributors (which, between them, account for around 45% of worldwide sales). As noted above, we have now started working with one of the majors, and this experience has brought with it a greater understanding of the value of working more closely with them, with regard to both current hybrid offerings and future varieties.

Commercialization and Co-Hybrid Agreement with a global market leader

Three years before the IPO, ABT submitted more than 6 types of cucumber for distributor evaluation, initially in Turkey and Jordan, then for wider testing in other countries within the Middle East. This exhaustive testing process ultimately validated ABT's breeding expertise and resulted in an agreement covering hybrid seed production, marketing, sales and distribution. The agreement includes initial nominated cucumber varieties, and provides a framework for distributing other cucumber and tomato varieties in development and yet to be developed, and it caters for the introduction of other vegetables over time.

The agreement also facilitates a more interactive relationship between Abundant and this major distributor, extending beyond the sale of finished F1 hybrids. It also covers the co-development of new varieties. Hybrid plants will be created, combining the intellectual property of the two companies to produce a superior product.

An existing vegetable range owned by the distributor will naturally be a greater focus for the distributor than third party products. By becoming co-hybrid contributors we form a part of the distributor's offering. This provides the potential for additional royalty streams to ABT, but it also offers greater security with regard to IP protection, and more long term potential. The agreement allows Abundant to transfer plant material to the distributor with the security of an upfront agreement with regard to the revenue share from co-developed varieties.

In the coming year we expect good progress with co-hybrid tomato varieties, where flavour is becoming a market driver.

The plant IP portfolio

Seven years ago we engaged Dr Nabil Ahmad to manage our breeding program, starting with cucumbers. Cucumbers are a particular specialty of Dr Ahmad, and he is responsible for creating a number of Australia's leading cucumber varieties. We mainly breed varieties of the "beit alpha" cucumber, better known in Australia as "Lebanese cucumbers". They were introduced to Australia in the 1970's with a wave of Middle East immigration and don't require peeling as the skin is thin, soft and sweet, whilst the body is crisp and crunchie. Beit alpha cucumbers remain popular in the Middle East with growing interest in Europe and the USA. We are currently selling cucumber seeds and have recently announced tomato hybrids undergoing greenhouse testing.

Overall, the portfolio currently consists of 5 vegetables lines; cucumbers, tomatoes, eggplant, capsicum and zucchini. Within each vegetable line we have over 25 different commercial hybrids and between 600-1,000 inbred varieties. As such, ABT owns around 5,000 plant lines and varieties in total. These will be available for commercialization over the next 7-10 years.

Chairman's and Chief Executive Officer's Report (cont)

Looking to the future, we are continuing to innovate in the cucumber space with many new products at various stages in the pipeline. In the tomato program, we continue to focus on the senses; placing taste, colour and shape at the forefront whilst not neglecting features relevant to production and logistics. We look to wild tomato species as a source of new resistances for rapidly evolving biotic and abiotic stresses. The development of eggplant, capsicum and zucchini is on track to give the company a globally significant suite of products.

Biotechnology will play a greater role in future varietal development with a number of new (non-GM) technologies being incorporated in the coming year. These will enable us to speed and improve product development.

Our "active extract" breeding projects are paying dividends in the form of proprietary varieties that can be grown in a closed loop for ANH exclusive use.

Sales, Domestic and International

We excluded Australian and New Zealand sales from the Commercialization and Co-Hybrid Agreement. This allows us to provide Australian farmers with vegetable varieties home bred for our climate and geography, to help them deal with local conditions and combat the diseases specifically threatening Australian production. The close relationship also provides us with in-depth feedback about our plants.

Abundant Seeds is in the process of searching for and appointing a Sales and Operations manager dedicated to our seeds business on a domestic and international basis. The search for an experienced operational manager is challenging, particularly in Australia, which has a very small amount of seed owners and is dominated by the major distributors. Domestic sales will be a combination of direct to the farmer, and through distributors. The profile of a typical vegetable farmer is changing with smaller growers being out-priced and out-manoeuvred by larger corporate greenhouses. This trend is not limited to Australia and has been evolving over the past 10 years both in Europe and now in Asia. Large organisations tend to buy from larger suppliers so we have had to split our offering for smaller and larger growers.

International sales will initially focus on direct seed sales to the USA and Europe. ABT is free to sell all varieties not specifically nominated in the Commercialization and Co-Hybrid Agreement anywhere in the world. We are generating some revenue from the direct sales of seeds and this is increasing as more farmers use our seeds and see superior results. Extensive trials in Australia, the Middle East and North America have demonstrated that no one set of cucumber varieties is appropriate everywhere. Some of our cucumber varieties have excelled in the Middle East, but other varieties rejected for this market are better suited to North America. The process of selection and trial is time consuming but once a variety is accepted, it starts to gain farmer and distributor trust and can remain popular for many years. Increasing royalties will follow from our distributor's cucumber work in the Middle East and co-hybrid sales in Europe.

Annuity income stream

Financially, Abundant Seeds is a royalty or annuity business, receiving income over a period of years following several years of investment. For the past 7 years ABT has been funding a cucumber seed program, culminating in the current cucumber seed offerings.

We accelerated the program and reduced associated costs by using established facilities and their experience, and leveraged the Government for tax reductions and grants to keep costs down. ABT now has cucumber varieties that will form part of a major distributor's seed offering either as a hybrid, or integrated into their seed offerings as a co-hybrid, or both. The bulk of the costs

Chairman's and Chief Executive Officer's Report (cont)

associated with cucumber development have been met, so cucumbers now primarily represent a revenue stream.

The mutually beneficial relationship with the plant breeding establishment

Graham Brown and Anthony Crimmins have worked in agriculture related technology fields for a collective 70 years. This has given us a strong relationship with Sydney University and its Plant Breeding Institute, which has been researching and providing assistance to Australian agriculture for 150 years. Over this time the institute has been invested with substantial capital and human expertise, utilising which enabled us to accelerate ABT's breeding program by 10 years. The relationship has been reciprocal with ABT providing a critical mass of vegetable plant science activity at University of Sydney, which in turn has been used in student recruitment and staff development. The company plans to use more academic staff and post-graduate students in future projects. ABT also provides a royalty to the University when sales are made via its subsidiary company Nuflora International Pty Ltd.

Government Funding (both AS and ANH)

As science and technology based businesses focussed on developing export opportunities, we enjoy both Federal and State funding assistance. The government offers businesses like ours significant financial incentives to develop and maintain a competitive advantage through better technology offerings. The government strategy is to leverage entrepreneurs' propensity for innovation to stay competitive in a global marketplace in which Australia has a competitive disadvantage with regard to labour. Technology is the key to overcoming this disadvantage and keeping Australia competitive. As such, businesses like ABT are eligible for grants such as the Export Market Development Grants Scheme, R&D tax initiatives, and science and technology vouchers. Grants are also available through global groups, such as EU, UN and USAid, that identify food availability as a major international issue. Plant breeders like us are critical to find solutions and create new breeds for a changing climatic period.

Financial Result

The cash and cash equivalents as at 30 June 2017 totalled \$1,123,276 (2016: \$2,511,717). The net asset position as at 30 June 2017 was \$2,714,712 (2016: \$3,963,433). The net loss after tax for the year attributable to the members of the Group was \$1,248,721 (2016: loss of \$1,034,009).

Directors' Report

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of Abundant Produce Limited and its controlled entities for the financial year ended 30 June 2017.

General Information

1. Principal Activities

The principal activities of the Group are:-

- the development and commercialisation of new varieties of high-value food crops that can be grown under non-ideal conditions, particularly greenhouse vegetables such as cucumbers and tomatoes; and
- development of a range of nutraceutical skin care products based on scientifically validated active botanical extracts.

2. Review of Operations

The operating and financial review is included in the Chairman's and Chief Executive Officer's Report. The information in the operating and financial review forms part of this directors' report for the financial year ended 30 June 2017 and is to be read in conjunction with the following information.

3. Directors

The following persons were directors of Abundant Produce Limited during or since the end of the financial year up to the date of this report:

Graham Brown	Executive Chairman	Appointed as Chairman 6 December 2016 and appointed as a director 26 April 2016
Anthony Crimmins	Executive Director	Appointed 26 April 2016
Adam Hajek	Executive Director	Appointed 26 April 2016
Stuart Richardson	Non-executive Director	Appointed 1 July 2016
Vince Logan	Non-executive Chairman	Appointed 26 April 2016 resigned 6 December 2016

4. Information Relating to Directors and Company Secretary

Graham Brown	– Executive Chairman (appointed 6 December 2016) and Research Manager
Experience	<p>– Mr Brown was appointed Executive Chairman of the Company on 6 December 2016. Prior to that he had been appointed an executive director on 26 April 2016, which is the date the Company listed.</p> <p>Mr Brown is part owner of Nuflora International Pty Limited and the Horticultural Development Manager for the university of Sydney's Plant Breeding Institute (PBI).</p> <p>Mr Brown has 20 years' experience in plant product development for Australian and international markets through his role with Nuflora. Prior to this Mr Brown was a wheat breeder with the University of Sydney for 20 years, specialising in developing high quality, disease-resistant wheat varieties.</p>

Interest in Shares and Options	–	3,073,302 ordinary fully paid shares
Directorships held in other listed entities during the three years prior to the current year	–	Nil
Anthony (Tony) Crimmins	–	Executive Director (Acting Chief Executive Officer)
Experience	–	<p>Mr Crimmins has been actively involved in the business development of numerous start-up companies currently listed on the ASX, including BluGlass Limited and Jatenergy Limited. He was fundamental in identifying projects and businesses that could be successfully listed, particularly in 'breakthrough' business.</p> <p>Mr Crimmins worked for 5 years as an environmental engineer and business development manager in Asia, and has a high level of fluency in Mandarin and an understanding of Asian business practices. He has previously worked as a general and project manager, and in commercialisation of technology-based products and services.</p>
Interest in Shares and Options	–	6,900,115 ordinary fully paid shares.
Directorships held in other listed entities during the three years prior to the current year	–	<p>Current Executive Chairman of Jatenergy Limited (ASX Code: JAT) (since, 2011).</p> <p>In the last 3 years he was a director of Chairman of Welcome Stranger Mining Ltd resigning 7 September 2015.</p>
Adam Hajek	–	Executive Director and Chief Operating Officer
Experience	–	Mr Hajek is highly regarded as an executive in the commercial property essential maintenance industry. Mr Hajek has over 20 years' experience in the electronics and essential services industries and is the Managing director of Austratronics Pty Limited, an essential services installation and maintenance business. Mr Hajek is also a director of the Hajek Investment group of companies, where his core responsibilities include financial control of the group and capital raising to fund business growth. Mr Hajek has an Associate Diploma in Electronic Engineering.
Interest in Shares and Options	–	6,095,805 ordinary fully paid shares
Directorships held in other listed entities during the three years prior to the current year	–	Nil
Stuart Richardson	–	Non-executive Director
Experience	–	Mr Richardson has experience in capital markets in both Australia and overseas in the field of stockbroking and investment banking. He is a founding director of Blackwood Capital Limited, an Australian based investment bank operating in capital markets, advisory services and funds management in equities and private funds management. He holds a Bachelor of Business from Swinburne University of Technology and is a CPA.
Interest in Shares and Options	–	1,240,000 ordinary fully paid shares

Directorships held in other listed entities during the three years prior to the current year	–	Mr Richardson is a Non-Executive Director of XTD Limited. In the last 3 years, Mr Richardson was a director of UnderCoverWear Limited until resigning on 4 November 2014.
Vince Logan	–	Non-executive Chairman (resigned 6 December 2016)
Experience	–	<p>Mr Logan has over 18 years' experience working in and commercialising agriculture research in the grains industry for the Grains Research & Development Corporation (GRDC). In that time he has worked with the University of Sydney and Grain Corp Limited to establish the GRDC the commercial wheat breeding company Sunprime Seeds Pty Limited, which in 2005 merged with another company he helped establish, Australian Grain Technology Pty Limited. Over the last 10 years, this merged entity has become the most successful wheat breeding company in Australia.</p> <p>Mr Logan was involved in establishing Arista Cereal Technologies Pty Limited, a joint venture between GRDC, CSIRO and the French seed company, Limagrain, which has developed a high fibre wheat that is now under commercialisation globally, and Novozymes Biologicals Pty Limited, a joint venture between GRDC and the Canadian based Novozymes Bio-Ag (a subsidiary of the Danish multi-national enzyme company), which develops, markets and distributes growth-enhancing soil biology products in Australia.</p> <p>Prior to working with GRDC, Mr Logan worked in finance and marketing roles in the oil industry with Shell Australia Limited for 17 years. Mr Logan is on the board of Arista Cereal Technologies Pty Limited and Plant Bio Security CRC Limited and chairs Plant Biosecurity IP Pty Limited. Mr Logan is a CPA and a Graduate of AICD.</p>
Interest in Shares and Options	–	390,988 ordinary fully paid shares
Directorships held in other listed entities during the three years prior to the current year	–	Nil
Graeme Hogan	–	Company Secretary
Experience	–	Mr Hogan was appointed on 26 April 2016. He has over 20 years' experience as Company Secretary and Chief Financial Officer of listed and unlisted companies. Mr Hogan is a FCPA and FGIA.

5. Directors' Meetings

The following directors' meetings were held during the year and the number of meetings attended by each of the directors during the year were:

	Number of meetings eligible to attend	Number of meetings attended
Graham Brown	6	6
Anthony Crimmins	6	6
Adam Hajek	6	6
Stuart Richardson	6	5
Vince Logan	4	4

At this stage the directors are of the view that all committee functions such as Audit, Remuneration and Nomination Committee functions will be dealt with by the full Board. Rather than establish sub-committees of the Board to undertake these specific functions.

6. Corporate Governance

The Board of Director of Abundant Produce Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Abundant Produce Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Abundant Produce Limited's corporate governance practices were in place upon listing on the ASX on 26 April 2016 and were compliant with the ASX Governing council's best practice recommendations, unless otherwise stated.

The corporate governance statement is included with this Annual Report and information on corporate governance is available upon request from the Company's corporate office – Suite 4.06, Level 4, 55 Miller Street, Pyrmont.

7. Financial Result

The cash and cash equivalents as at 30 June 2017 totalled \$1,123,276 (2016: \$2,511,717). The net asset position as at 30 June 2017 was \$2,714,712 (2016: \$3,963,433). The net loss after tax for the year attributable to the members of the Group was \$1,248,721 (2016: loss of \$1,034,009).

8. Significant Changes in the State of Affairs

There has been no significant change in the state of affairs of the Group during the financial year.

9. Events Since the End of the Financial Year

No matters or circumstances have arisen since 30 June 2017 that has significantly affected, or may significantly affect:

- (i) The Group's operations in future financial years; or
- (ii) The results of those operations in future financial years; or
- (iii) The Group's state of affairs in future financial years.

10. Likely Future Developments, Prospects and Expected Results of Operations

The Directors to remain focussed on development of cucumbers and tomato seed and production and sale thereof.

11. Options

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

12. Dividends Paid or Recommended

No dividend has been paid during the year and no dividend is recommended for the year.

13. Remuneration Report (audited)

The remuneration report is set out under the following main headings:

- (a) Remuneration Governance
- (b) Remuneration Structure
- (c) Details of Remuneration
- (d) Share-based compensation
- (e) Equity instruments issued on exercise of remuneration options
- (f) Value of options to Directors
- (g) Equity instruments disclosures relating to key management personnel
- (h) Other transactions with key management personnel
- (i) Additional statutory information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The remuneration arrangements detailed in this report are for the key management personnel of the Group as follows:

Graham Brown	Executive Chairman (appointed 6 December 2016)
Anthony Crimmins	Executive Director
Adam Hajek	Executive Director
Stuart Richardson	Non-executive Director
Vince Logan	Non-executive Chairman (resigned 6 December 2016)

Use of remuneration consultants

The Company did not employ the services of consultants to review its existing remuneration policies. The Company will hold its Annual General Meeting in November 2017 at which shareholders will be able to vote on the remuneration report for the 2017 financial year.

a) Remuneration Governance

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Group and Executives of the Group. The performance of the Group depends upon the quality of its key management personnel. To prosper the Group must attract, motivate and retain appropriately skilled directors and executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Group does not engage the services of any remuneration consultants.

b) Remuneration Structure

The remuneration of Non-Executive Directors (NED) consists of Directors' fees payable in arrears. They serve on a month to month basis and there are no termination benefits payable. They do not receive retirement benefits but are able to participate in share option based incentive programmes in accordance with Group policy.

Remuneration of Non-Executive Directors are based on fees approved by the Board of Directors and are set at levels to reflect market conditions and encourage the continued services of the Directors. Should NEDs provide services as requested by the Board of Directors that are outside the services of a NED then they will be paid consulting fees on time spent on Group business, including reasonable expenses incurred by them on business of the Group. During the year there were no fees paid to NEDs for consulting services.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which will be periodically recommended for approval by shareholders. There is no current maximum set at a general meeting of shareholders because there has not been a general meeting of shareholders. At the first general meeting of shareholders to be held in November 2016, an ordinary resolution to establish a maximum will be put to shareholders for approval. It may be varied by ordinary resolution of the shareholders at subsequent general meetings.

The remuneration of Executives is governed by service agreements between the Company, its controlled entity and each executive director. These agreements include the monthly fee to be paid by the Company for fees as a director and for the specific specialist executive services provided by that director. These are annual agreements and there are no termination benefits payable. They do not receive retirement benefits but are able to participate in share option based incentive programmes in accordance with Group policy.

c) Details of Remuneration

The key management personnel ("KMP") of the Group are the Directors and management of Abundant Produce Limited detailed in the table below. Details of the remuneration of the Directors of the Group are set out below:

Short Term Benefits			
2017	Directors Fee	Consultant's Fee	Total
Graham Brown*	12,000	60,000	72,000
Anthony Crimmins	36,000	60,000	96,000
Adam Hajek	36,000	36,000	72,000
Stuart Richardson	36,000		36,000
Vince Logan *	20,774		20,774
Total	140,774	156,000	296,774

* Vince Logan resigned on 6 December 2016 as Chairman and Graham Brown was appointed Executive Chairman on that same date.

Short Term Benefits			
2016	Directors Fee	Consultant's Fee	Total
Vince Logan	6,000	-	6,000
Anthony Crimmins*	6,000	27,000	33,000
Graham Brown	2,000	10,000	12,000
Adam Hajek	6,000	6,000	12,000
Stuart Richardson**	-	-	-
Brett Crowley***	-	-	-
Richard Ochojski***	-	-	-
Michael Pixley***	-	-	-
Total	20,000	43,000	63,000

* Anthony Crimmins was paid his July 2016 consultant's fee of \$5,000 in June 2016.

** Stuart Richardson become a director 1 July 2016.

*** Messrs Crowley, Ochojski and Pixley resigned 26 April 2016 upon listing of the Company on the ASX.

d) Share-based compensation

There were no share-based payments made to KMP during the year (2016: Nil).

e) Equity instruments issued on exercise of remuneration options

No equity instruments were issued during the year to Directors or key management as a result of exercising remuneration options. (2016: Nil).

f) Value of options to Directors

No options were granted, exercised or lapsed during the year to Directors or key management personnel as part of their remuneration (2016: Nil).

g) Equity instruments disclosures relating to key management personnel

Shareholdings

No director received remuneration through share based payments or the exercise of options. The table below reports the shareholdings of each of the directors as at the date of this report or as at their date of resignation for Messrs Crowley, Ochojski and Pixley.

	Opening Balance	Received as remuneration	Net other change purchases on market	On appointment or resignation	Closing Balance
2017					
Graham Brown	3,073,302	-			3,073,302
Anthony Crimmins	6,900,115	-	62,500		6,962,615
Adam Hajek	6,095,805	-			6,095,805
Stuart Richardson	1,240,000	-	53,756		1,293,756
Vince Logan	390,988	-		390,988	-
	Opening Balance	Received as remuneration	Net other change i.e. as part of the listing process on the ASX	On appointment or resignation	Closing Balance
2016					
Vince Logan		-	390,988		390,988
Anthony Crimmins		-	6,900,115		6,900,115
Graham Brown		-	3,073,302		3,073,302
Adam Hajek		-	6,095,805		6,095,805
Stuart Richardson	-	-		1,240,000	1,240,000
Brett Crowley*	4,000,000	-	-	(4,000,000)	-
Richard Ochojski*	4,000,000	-	-	(4,000,000)	-
Michael Pixley*	4,000,000	-	-	(4,000,000)	-

* each of Brett Crowley, Richard Ochojski and Michael Pixley hold an indirect interest in the Shares as shareholders in Oak Capital Limited, which owns 4,000,000 shares in the Company. These shares were issued upon incorporation of the Company.

h) Other transactions with key management personnel

During the year, the Group:

- Received \$66,000 from Jatenergy Limited for prepayment of a purchase of face cream;
- Reimbursed Top Cat Consulting Services Pty Ltd \$5,851 (2016: \$1,419) for expenses incurred by Anthony Crimmins while on Group business;
- Was charged \$355,088 (2016 - \$335,375) by Nuflora International Pty Ltd for services provided for the year 1 July 2016 to 30 June 2017 in accordance with the agreement between the Companies. Nuflora is a company part owned by Graham Brown;
- Was charged \$545 (2016 - \$545) by Nuflora International Pty Ltd for royalty on seeds sales for the 2016/7 in accordance with the agreement between the Companies
- Was charged \$37,486 (2016 - \$10,050) by Jatenergy Limited, a company of which Anthony Crimmins is a director for rent, provision of office utilities and reimbursement of purchase of furniture for the year ended 30 June 2017;
- Was charged \$1,641 by Adam Hajek for reimbursement of expenses incurred on Group business;
- Was charged \$39,421 by Austratronics Pty Ltd a company of which Adam Hajek is a director for goods & services provided on normal commercial terms;
- Was charged \$1,875 by Graham Brown for reimbursement of expenses incurred on Group business; and
- Was charged \$723 by Capital Innovation Services Pty Ltd for reimbursement of expenses incurred by Vince Logan on Group business.
- Was charged Nil (2016: \$179,982) by Boston First Capital Pty Limited for brokerage associated with the IPO. Stuart Richardson is a director of Boston First Capital.

End of Remuneration Report

14. Indemnifying Officers

The Company has paid premiums to insure the directors and officers of the company and its Australian based controlled entity against liabilities incurred as a director or officer 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.

15. Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year or as at the date of this report.

16. Environmental Regulations

The Group is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Group.

17. Non-audit Services

The Company may decide to engage the auditor on assignments additional to their statutory audit roles where the auditor's expertise and experience with the Company and/or Group are important. There were no fees paid to the auditor during the period on non-audit services.

18. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 17 of the financial report.

This report is made in accordance with a resolution of the Board of Directors.



Anthony Crimmins

Director

Dated this 29th day of September 2017

Auditor's Independence Declaration



**ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
AND ITS CONTROLLED ENTITIES**

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

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3225
Sydney NSW 2001

Ph: (612) 9365 2600
F: (612) 9365 2600

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

Graham Webb
Partner
Date: 29 September 2017

A Member of PrimeGlobal
An Association of Independent
Accounting Firms



SYDNEY • NEWCASTLE • PARRAMATTA • PERTH • MELBOURNE • BRISBANE • GOLD COAST • PERTH • DARWIN

Jointly linked by a scheme approved under Professional Standards Legislation

www.hallchadwick.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

		Consolidated Entity	
		2017	2016
	Note		
Revenue	3	454,914	564,761
Cost of goods Sold		(258,873)	(40,933)
Gross profit/(loss)		196,041	523,827
Consultancy expenses		(267,073)	(302,101)
Insurance expense		(32,362)	(15,413)
Inventory write-off		(358,846)	-
Depreciation and amortisation expense		(242,986)	(121,668)
Directors' fees		(296,774)	(58,000)
Travel expenses		(30,558)	(17,070)
Occupancy expenses		(67,169)	(20,343)
Research expenditure		(171,446)	(13,669)
Share based payment expense		-	(800,000)
Other expenses		(252,034)	(81,145)
(Loss) before income tax	4	(1,523,207)	(905,581)
Income tax benefit/(expense)	6	274,486	(128,428)
(Loss) for the year		(1,248,721)	(1,034,009)
Other Comprehensive Income		-	-
Total comprehensive (loss) for the year		(1,248,721)	(1,034,009)
Loss per share for loss attributable to the ordinary equity holders of the company:			
		Cents	Cents
Basic (loss) per share	9	(0.03)	(0.09)
Diluted (loss) per share	9	(0.03)	(0.09)

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

Consolidated Statement of Financial Position

As at 30 June 2017

		Consolidated Entity	
		2017	2016
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	10	1,123,276	2,511,717
Trade and other receivables	11	380,316	285,444
Inventories	12	527,362	769,415
Total current assets		2,030,954	3,566,576
Non-current assets			
Property, plant and equipment	13	349,133	384,885
Deferred tax assets	14	-	292,321
Intangible assets	15	747,073	724,747
Total non-current assets		1,096,206	1,401,953
Total assets		3,127,160	4,968,529
Liabilities			
Current liabilities			
Trade and other payables	16	412,449	441,382
Total current liabilities		412,449	441,382
Non-current liabilities			
Deferred tax liabilities	17	-	563,714
Total non-current liabilities		-	563,714
Total liabilities		412,449	1,005,096
Net assets		2,714,712	3,963,433
Equity			
Contributed equity	18	5,011,223	5,011,223
Retained earnings		(2,296,511)	(1,047,790)
Total equity		2,714,712	3,963,433

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Contributed Equity	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2015	808,977	(13,781)	795,196
Loss for the year	-	(1,034,009)	(1,034,009)
Total comprehensive income	-	(1,034,009)	(1,034,009)
Issue of Capital	4,346,600		4,346,600
Share issue costs net of tax	(144,354)		(144,354)
Balance at 30 June 2016	5,011,223	(1,047,790)	3,963,433
Balance at 1 July 2016	5,011,223	(1,047,790)	3,963,433
Loss for the year	-	(1,248,721)	(1,248,721)
Total comprehensive income	-	(2,296,511)	(2,296,511)
Issue of Capital	-		-
Balance at 30 June 2017	5,011,223	(2,296,511)	2,714,712

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

		Consolidated Entity	
		2017	2016
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers		131,426	157,367
Payments to suppliers and employees		(1,309,550)	(563,456)
Interest received		19,244	4,983
Interest paid		-	(336)
Net cash (outflow)/Inflow from operating activities	20	(1,158,880)	(401,442)
Cash flows from investing activities			
Payments for property, plant & equipment		(56,556)	(137,438)
Payments for research & development		(173,005)	(304,023)
Net cash inflow/(outflow) from investing activities		(229,561)	(441,461)
Cash flows from financing activities			
Proceeds from issues of shares		-	3,546,200
Transactions costs		-	(206,220)
Net cash inflow from financing activities		-	3,339,980
Net (decrease)/increase in cash and cash equivalents		(1,388,441)	2,497,077
Cash and cash equivalents at the beginning of the financial year		2,511,717	14,640
Cash and cash equivalents at end of year	10	1,123,276	2,511,717

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

Notes to Financial Statements

For the year ended to 30 June 2017

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

The separate financial statements of the parent entity and its subsidiary are for the year ended 30 June 2017. The financial statements were authorised for issue by the Board of Directors on 29 September 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

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

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

b) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Abundant Produce Limited and its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Abundant Produce Australia Pty Ltd and Abundant Natural Health Pty Ltd (incorporated on 4 November 2017) are the subsidiaries which are 100% owned and whose principal place of business is Sydney Australia.

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

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

Notes to Financial Statements

For the year ended to 30 June 2017

c) Business combinations

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

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

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

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

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

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

Given Abundant Produce Australia Pty Ltd is considered to be the parent of the Group for accounting purposes, the consolidated financial statements represent a continuation of the financial statements of Abundant Produce Australia Pty Ltd. The results for the period ending 30 June 2017 comprise the results of Abundant Produce Australia Pty Ltd for the full year and the results of Abundant Produce Limited for the full year plus the Abundant Natural Health Pty Ltd post incorporation, i.e. 4 November 2016.

The comparative information provide is that of Abundant Produce Australia Pty Ltd for the period 1 July 2016 to 30 June 2017 plus the results of Abundant Produce Limited subsequent to the completion of the acquisition on 26 April 2016.

Notes to Financial Statements

For the year ended to 30 June 2017

d) Going Concern basis of accounting

The financial statements have been prepared on a going concern basis. The Group has incurred an operating loss for the year of \$1,248,721 (2016: loss \$1,034,009) and has negative cash flows from operating activities of \$1,158,880 (2016: negative cash flows \$401,442). The Group has \$1,123,276 in cash at the end of 30 June 2017. The Directors are managing the Group's cash flows carefully to meet its operational commitments. The directors intend to fund the company's activities from future sales of its trading business and further capital raisings as and when required. Therefore, the Directors consider that the going concern basis is appropriate.

e) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

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

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

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

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

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

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

Notes to Financial Statements

For the year ended to 30 June 2017

f) Fair Value of Assets and Liabilities

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

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

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

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

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

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

g) Inventories

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

h) Property, Plant and Equipment

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

Property

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

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

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

Notes to Financial Statements

For the year ended to 30 June 2017

h) Property, Plant and Equipment (cont)

Plant and Equipment

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

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

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

Depreciation

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

i) Impairment of Assets

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

Notes to Financial Statements

For the year ended to 30 June 2017

i) Impairment of Assets (cont)

accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

j) Intangibles Assets

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably. Capitalised development costs are stated at cost less accumulated amortisation.

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

k) Leases

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

l) Cash and Cash Equivalents

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

m) Revenue and Other Income

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

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

Interest revenue is recognised using the effective interest method.

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

n) Trade and Other Receivables

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

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

Notes to Financial Statements

For the year ended to 30 June 2017

o) Trade and Other Payables

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

p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

q) Comparative Figures

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

r) Critical Accounting Estimates and Judgements

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

Key estimates

(i) *Impairment – general*

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

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

Key judgements

(ii) Research and Development Costs

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

Notes to Financial Statements

For the year ended to 30 June 2017

Key judgements (cont)

- (iii) Recoverability of deferred tax assets

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

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed.

- (i) *AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).*

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The directors anticipate that the adoption of AASB 9 will not have any significant impact on the Group's financial instruments, including hedging activity at this stage.

- (ii) *AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).*

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;

Notes to Financial Statements

For the year ended to 30 June 2017

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (cont)

- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The directors anticipate that the adoption of AASB 15 will not have any significant impact on the Group's financial statements at this stage.

(iii) *AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).*

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

As the Group at this current time has no leases the directors do not anticipate that the adoption of AASB 16 will have any significant impact on the Group's financial statements at this stage.

(iv) *AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016)*

This Standard amends AASB 11: *Joint Arrangements* to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method per AASB 3.

Notes to Financial Statements

For the year ended to 30 June 2017

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (cont)

The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016. As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of AASB 2014-3.

3) Revenue

	Consolidated Entity	
	2017	2016
	\$	\$
Revenue		
Interest	19,244	4,983
Seed Sales	45,049	14,414
R&D tax incentive rebate	249,783	169,439
Gain on initial recognition of seed	140,081	369,853
Other income	757	6,072
Total	454,914	564,761

4) Expenses

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

Depreciation and amortization expense	242,986	103,384
Rental expense relating to operating lease:	67,169	20,343

5) Business Combination

In the prior year, the Company acquired Abundant Produce Australia Pty Ltd. The acquisition was accounted for a share based payment transaction as disclosed in Note 1(c) to the financial statements.

Details of the fair value of the identifiable net assets acquired and the excess consideration are set below:

	\$
Deemed purchase consideration:	
Fair value of shares transferred (4,000,000 shares @ \$0.17 each)	800,000
Less Fair value of net assets*	-
Share Based Payment expense	800,000

The fair value of the identifiable assets and liabilities of Abundant Produce Limited are as follows:

• Issued Capital	\$400
• Retained earnings	(\$400)
	<u>\$Nil</u>

Notes to Financial Statements

For the year ended to 30 June 2017

6) Income tax expenses

	Consolidated Entity	
	2017	2016
	\$	\$
Current tax expense/(benefit)	274,486	(128,428)

	Consolidated Entity	
	2017	2016
	\$	\$
(b) Reconciliation of income tax expense to prima facie tax payable:		
(Loss) before income tax	(1,523,207)	(905,581)
Prima facie income tax at 27.5% (2016: 30%)	(418,882)	(271,674)
Non-deductible expenditure	1,214	194,078
Current year timing difference and tax losses not recognised	483,265	
Derecognition of prior year timing differences and tax losses	(271,393)	
R&D Tax incentive rebate not assessable	(68,690)	(50,832)
	274,486	(128,428)

7) Key Management Personnel Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2016.

	Consolidated Entity	
	2017	2016
	\$	\$
Short term benefits	296,774	63,000
	296,774	63,000

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Notes to Financial Statements

For the year ended to 30 June 2017

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

8) Auditor's Remuneration

	Consolidated Entity	
	2017	2016
Auditing or reviewing the financial statements	21,250	16,500
Total	21,250	16,500

9) Earnings Per Share

	Consolidated Entity	
	2017	2016
Earnings used to calculate basic & diluted EPS	(1,248,721)	(1,034,009)
Weighted average number of ordinary shares outstanding during the year used in calculating basic & diluted EPS	46,500,000	11,568,493
Basic & diluted Earnings Per Share	(0.03)	(0.09)

10) Cash and cash equivalents

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

The effective interest rate on short-term bank deposits was 1.50% to 2.0% (2016: Nil%); these deposits have an average maturity of 90 days.

11) Trade and other receivables

	Consolidated Entity	
	2017	2016
	\$	\$
Trade Debtors	-	3,930
R&D Refund	343,403	169,440
Other receivables	36,913	107,074
Prepayments	-	5,000
Total	380,316	285,444

Notes to Financial Statements

For the year ended to 30 June 2017

11) Trade and other receivables (cont)

(a) Credit risk

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

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

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

	Gross Amount \$000	Past Due and Impaired \$000	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms \$000
			< 30 \$000	31-60 \$000	61-90 \$000	> 90 \$000	
2017							
Trade and term receivables							
Other receivables	36,913						36,913
Prepayments							
Total	36,913						36,913
2016							
Trade and term receivables	3,930	-	1,678	-	-	850	1,402
Other receivables	107,074	-		-	-	-	107,074
Total	111,004	-	1,678	-	-	850	108,476

12) Inventories

	Consolidated Entity	
	2017	2016
	\$	\$
Seeds at deemed cost	461,836	769,415
Face cream, at cost	65,526	-
Total	527,362	769,415

Notes to Financial Statements

For the year ended to 30 June 2017

13) Property, plant & equipment

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

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

14) Deferred tax assets

	Opening Balance	Changed to income	Closing Balance
Tax Losses	80,289	114,540	194,829
Blackhole expenditure	-	97,492	97,492
Balance at 30 June 2016	80,289	212,032	292,321

Notes to Financial Statements

For the year ended to 30 June 2017

14) Deferred tax assets (cont)

	Opening Balance	Changed to income	Closing Balance
Tax Losses	194,829	(194,829)	-
Blackhole expenditure	97,492	(97,492)	-
Balance at 30 June 2017	292,321	(292,321)	-

15) Intangible Assets

Consolidated Entity			
	2017	2016	
Development Costs	\$	\$	
Cucumber Seed	635,304	629,345	
Accumulated amortisation	(215,634)	(89,675)	
	419,670	539,670	
Tomato Seed	327,403	185,167	
Total	747,073	724,837	

Consolidated Entity			
	Cucumber Seed	Tomato Seed	Total
	\$	\$	\$
Balance as at 1 July 2015	448,825	61,574	510,399
Additions	180,520	123,593	304,113
Amortisation	(89,675)	-	(89,675)
Balance as at 30 June 2016	539,670	185,167	724,837

Consolidated Entity			
	Cucumber Seed	Tomato Seed	Total
	\$	\$	\$
Balance as at 1 July 2016	539,670	185,167	724,837
Additions	5,959	142,236	148,195
Amortisation	(125,959)	-	(125,959)
Balance as at 30 June 2017	419,670	327,403	747,073

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

Notes to Financial Statements

For the year ended to 30 June 2017

16) Trade and other payables

	Consolidated Entity	
	2017	2016
	\$	\$
Trade & other payables	412,449	441,382
Total	412,449	441,382

17) Deferred Tax Liabilities

	Opening Balance	Changed to income	Closing Balance
Inventory	132,000	98,824	230,824
Plant & equipment claimed through R&D	-	115,466	115,466
R&D Expenditure capitalised	153,120	64,304	217,424
Balance at 30 June 2016	285,120-	278,594	563,714

	Opening Balance	Changed to income	Closing Balance
Inventory	230,824	(230,824)	-
Plant & equipment claimed through R&D	115,466	(115,466)	-
R&D Expenditure capitalised	217,424	(217,424)	-
Balance at 30 June 2017	563,714	(563,714)	-

18) Contributed equity

	Consolidated Entity	
	2016	2016
Notes	\$	\$

(a) Share capital

Ordinary Shares

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

(b) Movements in ordinary share capital

	2017	2016	2016	2015
	\$	\$	Number	Number
At the beginning of the reporting period	5,011,223	808,976	46,500,000	22,328,501
1 July 2015(Issue of shares to founder)		400		4,000,000
13 July 2015(placement)		25,000		500,000
3 August 2015(placement)		10,000		200,001
24 August 2015(placement)		11,200		6,500,000
26 April 2016(shares exchanged on acquisition)		-		(29,528,502)

Notes to Financial Statements

For the year ended to 30 June 2017

18) Contributed equity

(b) Movement in ordinary share capital (cont)

	2017	2016	2016	2015
	\$	\$	Number	Number
26 April 2016(deemed shares issued to shareholders of controlled entity on acquisition)		800,000		25,000,000
26 April 2016(issue of shares on IPO)		3,500,000		17,500,000
Transaction costs		(144,354)		
Closing balance	5,011,223	5,011,223	46,500,000	22,328,501

(c) Ordinary shares

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

(d) Capital risk management

Management controls the capital of the Group in order to generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group currently has no borrowings. The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

19) Operating Segment

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

20) Cash Flow Information

	Consolidated Entity	
	2017	2016
Reconciliation of Cash flows from Operating activities to Net Loss after Tax.	\$	\$
(Loss) after tax	(1,248,721)	(1,034,009)
Non-cash flows in (loss):		
Share based Payment expense	-	800,000
Depreciation and amortisation	242,986	121,668

Notes to Financial Statements

For the year ended to 30 June 2017

20) Cash Flow Information (cont)

	Consolidated Entity	
	2017	2016
Changes in assets and liabilities, net of the effect of purchase and disposal of subsidiaries	\$	\$
(Increase)/Decrease in trade & other receivables	(94,872)	(121,550)
(Increase)/decrease in inventories	242,053	(329,415)
(Increase)/decrease in deferred tax assets	292,321	(212,033)
Increase/(decrease) in trade & other payables	(28,933)	95,303
Increase/(decrease) in deferred tax liability	(563,714)	278,594
Cash Flows from operating activities	(1,158,880)	(401,442)

21) Parent Entity Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,022,087	2,377,119
Trade and other receivables	6,352	45,906
Total current assets	1,028,439	2,423,025
Non-current assets		
Investment in controlled entity	5,000,001	5,000,000
Deferred tax assets	-	159,677
Receivables from controlled entities	1,711,359	573,335
Total non-current assets	6,711,360	5,733,012
Total assets	7,739,799	8,156,037
Liabilities		
Current liabilities		
Trade and other payables	86,333	28,218
Total current liabilities	86,333	28,218
Total liabilities	86,333	28,218
Net assets	7,653,466	8,127,819
Equity		
Contributed equity	8,356,046	8,356,046
Retained earnings	(702,580)	(228,227)
Total equity	7,653,466	8,127,819

Notes to Financial Statements

For the year ended to 30 June 2017

22) Contingencies

The Group had no contingent liabilities at year end.

23) Related party transactions

(a) The Group's main related parties are as follows:

(i) *Entities exercising control over the Group:*

The ultimate parent entity that exercises control over the Group is Abundant Produce Limited, which is incorporated in Australia.

(ii) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 7.

(iii) *Other related parties*

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have control.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

(i) *Other related parties*

Occupancy fees paid to Jatenergy Limited.

Short term loans from:

- EcoMag Pty Ltd, a company controlled by Anthony Crimmins
- Adam Hajek
- Top Cat Consulting Services Pty Ltd, a company controlled by Anthony Crimmins
- Graham Brown
- The Crimmins Trust, a trust associated with Anthony Crimmins.
- Anthony Crimmins

The above short-term interest free loans were provided by the above parties to Abundant Produce Australia Pty Ltd from October 2015 through to March 2016 and all loans were repaid in April 2016.

Notes to Financial Statements

For the year ended to 30 June 2017

23) Related party transactions (cont)

(c) Amounts payable to related parties

	Consolidated Entity	
	2017	2016
	\$	\$
Austratronics Pty Ltd	9,900	6,600
Top Cat Consulting Services Pty Ltd	13,200	8,800
Floraquest Pty Ltd	6,600	-
Nuflora International Pty Ltd	187,413	89,317
	<u>217,113</u>	<u>104,717</u>
Loans from other key management personnel and their related entities	\$	\$
Beginning of the year	-	-
Loan Advanced	-	130,843
Loans repaid	-	130,843
End of year	<u>-</u>	<u>-</u>

24) Events occurring after the reporting date

No matters have arisen since 30 June 2017 that have significantly affected, or may significantly affect:

- (i) The Company's operations in future financial years; or
- (ii) The results of those operations in future years; or
- (iii) The Company's state of affairs in future financial years.

25) Financial Risk Management

The Group's financial instruments consist of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Entity	
		2017	2016
		\$	\$
Financial Assets			
Cash and Cash equivalents	10	1,123,276	2,511,717
Trade & other receivables	11	380,316	285,444
Total financial assets		1,503,592	2,797,161
Financial Liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	15	412,449	441,382
Total financial liabilities		412,449	441,382

Notes to Financial Statements

For the year ended to 30 June 2017

25) Financial Risk Management (cont)

The Board is responsible for managing financial risk exposures of the Group. It monitors the Group's financial risk management policies and exposures. It also reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, liquidity risk and interest rate risk. The Board's overall risk management strategy seeks to assist the consolidated Group to meet its financial targets, while minimising potential adverse effects on financial performance. This includes reviews of the use of credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk and other price risk such as equity price risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from previous periods.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 days net. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the Group has significant credit risk exposures to Australia. Details with respect to credit risk of trade and other receivables are provided in Note 11.

Trade and other receivables that are neither past due nor impaired are to be of good credit quality. Aggregates of such amounts are detailed in Note 11.

Credit risk related to balances with banks and other financial institutions is managed by the Board. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's credit rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

Notes to Financial Statements

For the year ended to 30 June 2017

25) Financial Risk Management (cont)

	Note	Consolidated Entity	
		2017	2016
		\$	\$
Cash and cash equivalents			
AA- rated	10	1,123,276	2,511,717

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed.

	Within 1 Year		Total	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Consolidated Group				
Financial liabilities due for payment				
Trade and other payables	412,449	441,382	414,318	441,382
Total expected outflows	(412,449)	(441,382)	(414,318)	(441,382)
Financial assets – cash flows realisable				
Cash and cash equivalents	1,123,276	2,511,717	1,123,276	2,511,717
Trade, and other receivables	380,316	285,444	380,487	285,444
Total anticipated inflows	1,503,592	2,797,161	1,503,763	2,797,161
Net (outflow)/ inflow on financial instruments	1,091,143	2,355,779	1,089,445	2,355,779

(c) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Group to interest rate risk are cash and cash equivalents.

Notes to Financial Statements

For the year ended to 30 June 2017

25) Financial Risk Management (cont)

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$000	\$000
Year ended 30 June 2017		
+/- 1% in interest rates	11,233	11,233
Year ended 30 June 2016	\$000	\$000
+/- 1% in interest rates	25,117	25,117

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 26 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

		2016		2016	
		Carrying Amount \$000	Fair Value \$000	Carrying Amount \$000	Fair Value \$000
Consolidated Group	Note				
Financial assets					
Cash and cash equivalents ⁽ⁱⁱ⁾	10	1,123,276	1,123,276	2,511,717	2,511,717
Trade and other receivables	11	380,316	380,316	285,444	285,444
Total financial assets		1,503,592	1,503,592	2,797,161	2,797,161
Financial liabilities					
Trade and other payables ⁽ⁱⁱ⁾	15	414,318	414,318	441,382	441,382
Total financial liabilities		414,318	414,318	441,382	441,382

(ii) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

26) Company Details

The registered office of company and principal place of business is:

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

Directors Declaration

In accordance with a resolution of the directors of Abundant Produce Limited, the directors of the company declare that:

- 1) the financial statements and notes, as set out on pages 19 to 44, are in accordance with the *Corporations Act 2001*, and
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group;
- 2) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- 3) the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.



Anthony Crimmins
Director
Dated this 29th day of September 2017

Independent Auditor's Report



ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
AND ITS CONTROLLED ENTITIES

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ABUNDANT PRODUCE LIMITED
AND ITS CONTROLLED ENTITIES**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
AUSTRALIA

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
F: (612) 9263 2600

Opinion

We have audited the financial report of Abundant Produce Limited and Controlled Entities which comprises the consolidated statement of financial position as at 30 June 2017, 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 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company.

In our opinion:

- (a) the accompanying financial report of the Abundant Produce Limited and controlled entities 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 30 June 2017 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's responsibility section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial report, which indicates that the Company incurred a net loss of \$1,248,721 and net cash outflows from operating activities of \$1,158,880 during the year ended 30 June 2017. As stated in Note 1(d), these events or conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A Member of PRIMEGLOBAL
An Association of Independent
Accounting Firms



SYDNEY • NEWCASTLE • PARRAMATTA • PENRITH • MELBOURNE • BRISBANE • GOLD COAST • PERTH • DARWIN

Liability limited by a scheme approved under Professional Standards Legislation

www.hallchadwick.com.au

HALL CHADWICK (NSW)

Chartered Accountants and Business Advisers

ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABUNDANT PRODUCE LIMITED AND ITS CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3556
Sydney NSW 2001

Ph: (612) 9252 3800
F: (612) 9252 3800

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 year ended 30 June 2017. 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.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Carrying Value of Intangible Assets Refer to Note 15 Intangible Assets; Accounting Policy Note 1(g) and 1(r)(ii) Critical Accounting Estimates and Judgements.	
<p>The intangibles balance consists of the company's development expenditure. The carrying value of development expenditure is a key audit matter as:</p> <ul style="list-style-type: none"> Capitalised development expenditure is a material balance to the financial report. There is a significant level of judgement in determining whether capitalised expenditure meets the requirements of AASB 138 "Intangible Assets." 	<p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> We assessed management's determination of the company's capitalisation of development expenditure based on our understanding of the nature of the company's operations. We verified a sample of expenditure capitalised during the year to supporting documentation. We checked the amortisation calculation and verified the calculation was in accordance with company's accounting policy.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2017, 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 the other information, we are required to report that fact. We have nothing to report in this regard.

A Member of PricewaterhouseCoopers
an independent member of independent
accounting firms





**ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ABUNDANT PRODUCE LIMITED
AND ITS CONTROLLED ENTITIES**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
F: (612) 9263 2600

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 Australia Accounting Standards and the Corporations Act 2001 and for such internal control as 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

A Member of PrimeGlobal
by Association of Independent
Accounting Firms



SYDNEY • NEWCASTLE • PARRAMATTA • PERTH • MELBOURNE • BRISBANE • GOLD COAST • PERTH • DARWIN

Liability limited by a scheme approved under Professional Standards Legislation

www.hallchadwick.com.au



**ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ABUNDANT PRODUCE LIMITED AND ITS CONTROLLED ENTITIES**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 11 to 14 of the directors' report for the year ended 30 June 2017. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Opinion

In our opinion, the remuneration report of Abundant Produce Limited and its controlled entities for the year ended 30 June 2017 complies with s 300A of the Corporations Act 2001.

A handwritten signature in dark ink, appearing to read 'Hall Chadwick'.

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

A handwritten signature in dark ink, appearing to read 'Graham Webb'.

GRAHAM WEBB
Partner
Date: 29 September 2017

Corporate Governance Statement

The Company's compliance and departures from the Recommendations as at the date of this announcement are set out below:

Principles and Recommendations	Comply (Yes/No)	Explanation
Principle 1: - Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have disclosed a charter which sets out the respective roles and responsibilities of the Board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management	Yes	The Company has adopted a Board Charter. The Board Charter is available on request from the Company. The Company is currently upgrading its website and the Charter will be available on the website when it has been completed.
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) Provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director 	Yes	(a) The Company has guidelines for the appointment and selection of the Board. (b) All material information relevant to a decision on whether or not to elect or re-elect a director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a director will be voted on.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment	Yes	Each director and senior executive is a party to a written agreement with the Company setting the terms of their appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board Charter provides that the Company Secretary is accountable directly to the Board through the chair.
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> (a) Have a diversity policy which includes requirements for the board: (b) To set measurable objectives for achieving gender diversity; and (c) To assess annually both the objectives and the entity's progress in achieving them; 	Yes	The Company has adopted a Diversity Policy. The Diversity Policy provides a framework for the Company to set and achieve measurable objective that encompass gender equality.

Corporate Governance Statement

<ul style="list-style-type: none"> (a) Disclose that policy or a summary of it; and (b) Disclose as at the end of each reporting period: (c) The measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (d) Either: (e) The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (f) The entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012. 		<p>The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The Company is responsible for implementing, monitoring and reporting on measurable objectives.</p> <p>The Diversity Policy is available from the Company and will be available on the company's website when the website upgrade is completed.</p> <p>The Company currently has 4 male directors and has no senior executives employed. The Company will endeavour to recruit a suitably qualified female director or senior executive if and when a vacancy or appointment becomes available.</p>
<p>Recommendation 1.6 A listed entity should:</p> <ul style="list-style-type: none"> (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	No	<ul style="list-style-type: none"> (a) The Company does not have a Nomination Committee. The functions of the Nomination Committee are performed by the whole Board. At this stage of the Company's development, it is not considered appropriate for a Nomination Committee to be created. (b) The Board is responsible for evaluating the performance of the Board and individual directors. A review is currently being undertaken.

Corporate Governance Statement

<p>Recommendation 1.7 A listed entity should:</p> <ul style="list-style-type: none"> (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process 	Yes	<p>The Board is responsible for evaluating the performance of senior executives. The Board is to arrange a performance evaluation of the senior executives.</p> <p>There are currently no senior employees and management functions are performed by consultants.</p>
Principle 2: Structure the board to add value		
<p>Recommendation 2.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) Have a nomination committee which: (b) Has at least 3 members, a majority of whom are independent directors; and (c) Is chaired by an independent director, (d) And disclose (e) The charter of the committee; (f) The members of the committee; and (g) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (h) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively 	No	<p>Given the size and nature of the existing Board and the magnitude of the company's operations, the Company's Nomination Committee is undertaken by the full Board.</p> <p>Pursuant to the Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee.</p> <p>The Board's nomination responsibilities are set out in the Board Charter.</p> <p>The Board will devote time each year to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and the ASX Listing Rules.</p> <p>The Board's skill matrix is available upon request from the Company's registered office.</p>
<p>Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership</p>	Yes	<p>The Board Charter contains the current Board skill matrix is available upon request from the Company's registered office.</p>

Corporate Governance Statement

<p>Recommendation 2.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) The names of the directors considered by the board to be independent directors; (b) If a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) The length of service of each director 	No	<p>As at the date of this statement, the Board comprises 4 directors of which one (Mr Richardson) is considered independent.</p> <p>The length of service of each Director is provided in the 2017 Annual Report.</p>
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors</p>	No	<p>The Board will consider the number of independent directors when considering appointing additional or replacement directors.</p>
<p>Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	No	<p>Mr Brown is the Chairman and Mr Crimmins is the CEO and are not considered independent.</p>
<p>Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	Yes	<p>The Company has in place an induction program for new directors.</p>

Corporate Governance Statement

Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: <ul style="list-style-type: none"> (a) Have a code of conduct for its directors, senior executives and employees; and (b) Disclose that code or a summary of it. 	Yes	<p>The Board has a Code of Conduct for directors and senior executives. The Code of Conduct has been extended to cover other employees and consultants/contractors.</p> <p>The Code is available upon request from the Company's registered office and will be available on the Company's website when it has been upgraded.</p>
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) Have an audit committee which: (b) Has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors: and (c) Is chaired by an independent director, who is not the chair of the board, (d) And disclose: (e) The charter of the committee; (f) The relevant qualifications and experience of the members of the committee; and (g) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (h) If does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 	No	<p>Given the size and nature of the existing Board and the magnitude of the company's operations, the Company's Audit Committee is undertaken by the full Board.</p> <p>The functions of the Audit Committee, currently performed by the Board are included in an Audit Committee Charter which is available upon request from the Company's registered office and will be available from the company's website when its upgrade is completed.</p>

Corporate Governance Statement

<p>Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from the CEO and the CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	The CEO and CFO have provided declarations that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group.
<p>Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	The auditor is invited to the Company's AGM to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1 A listed entity should: (a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) Disclose that policy or a summary of it.</p>	Yes	The Company has a written policy for complying with its continuous disclosure obligations under the Listing Rules. The Continuous Disclosure Policy is available upon request from the Company's registered office and from the Company's website when its website has been upgraded.
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	No	The Company is currently upgrading its website and will include its governance information on the website when completed.
<p>Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate two-way communication with investors.

Corporate Governance Statement

Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate an encourage participation at meetings of security holders	Yes	The Shareholder Communication Policy contains relevant policies and processes and is available upon request from its registered office and will be available from the company's website when its upgrade is completed.
Recommendation 6.4 A listed entity should give security holders the option to receive communication from and send communications to, the entity and its security register electronically.	Yes	This facility is available to all security holders.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: <ul style="list-style-type: none"> (a) Have a committee or committees to oversee risk, each of which: (b) Has at least three members, a majority of whom are independent directors; and (c) Is chaired by an independent director, (d) And disclose: (e) The charter of the committee; (f) The members of the committee; and (g) At the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (h) If it does not have a risk committee or committees that satisfy (a) above disclose that fact and the process it employs for overseeing the entity's risk management framework 	No	Given the size and nature of the existing Board and the magnitude of the Company's operations, the Company's Risk functions are undertaken by the full Board.

Corporate Governance Statement

<p>Recommendation 7.2 The board or a committee should:</p> <ul style="list-style-type: none"> (a) Review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) Disclose in relation to each reporting period, whether such a review has taken place. 	Yes	The Board reviews on an annual basis the effectiveness of the company's management of its material risk. The current review will be completed before 31 December 2017.
<p>Recommendation 7.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) If it has an internal audit function, how the function is structured and what role it performs; or (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	No	<p>Given the size of the Company the Board does not consider it necessary to have an internal audit function.</p> <p>This function is undertaken by the Board in its role as the Audit Committee.</p>
<p>Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social responsibility risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>If the Company has any material exposure to economic, environmental and social sustainability risk, it will disclose any such exposure and how it manages or intends to manage those risks, in future Corporate Governance Statements. To date the Company has no material exposures to economic, environmental and social sustainability risks.</p>

Corporate Governance Statement

Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) Have a remuneration committee which: (b) Has at least 3 members, a majority of whom are independent directors; and (c) Is chaired by an independent director, (d) And disclose: (e) The charter of the committee; (f) The members of the committee; and (g) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (h) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	No	Given the size and nature of the existing Board and the magnitude of the Company's operations, the Company's Remuneration Committee functions are undertaken by the full Board.
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	Yes	The Company's policies and practices have been disclosed in the June 2017 Annual Report.

Corporate Governance Statement

<p>Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) Disclose that policy or a summary of it 	<p>Yes</p>	<p>The Company has a Share Trading policy which includes a policy of prohibiting participants of an equity-based remuneration scheme from entering into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>A copy of the company's Share Trading policy is available upon request from the Company's registered office and will be available from the Company's website when its upgrade has been completed.</p>
--	------------	---

Shareholder Information

Additional information required by the ASX Limited listing rule and not disclosed elsewhere in this report are set out below.

Shareholding Information

There is a total of 46,500,000 ordinary fully paid shares on issue.

The shareholder information set out below was applicable as at 27 September 2017.

(a) Distribution schedule of the number of holders in each class of equity security as at 27 August 2017.

Class of Equity Securities	
Number held as at 27 September 2017	Fully Paid Ordinary Shares
1-1,000	87
1,001 – 5,000	235
5,001 – 10,000	202
10,001 – 100,000	152
100,001 and over	44
	720

(b) Substantial holders

The names of the substantial shareholders listed on the company's register as at 27 September 2017:

Shareholder	Number of Ordinary Fully Paid Shares Held	Percentage Held of Issued Ordinary Capital
Top Cat Consulting Services Pty Ltd	6,900,115	14.84%
Austratronics Pty Ltd Hajek Family Ac>	6,095,805	13.11%
Oak Capital Pty Ltd	4,000,000	8.60%
Floraquest Pty Ltd <Floraquest Super Fund>	3,073,302	6.61%

(c) Voting rights

There are 720 holders of ordinary shares. Each shareholder is entitled to one vote per share held.
There are no holders of options – listed or unlisted.

On a show of hands every shareholder of ordinary shares present at the meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Shareholder Information

(d) Equity security holdings

The names of the 20 largest quoted equity security holders of quoted equity securities are listed below:

Name	Number of Ordinary Fully Paid Shares Held	Percentage Held of Issued Ordinary Capital
1 Top Cat Consulting Services Pty Ltd	6,900,115	14.84%
2 Austratronics Pty Ltd Hajek Family Ac>	6,095,805	13.11%
3 Oak Capital Pty Ltd	4,000,000	8.60%
4 J P Morgan Nominees Australia Ltd	3,597,964	7.74%
5 Floraquest Pty Ltd <Floraquest Super Fund>	3,073,302	6.61%
6 Bond Street Custs Ltd <SVJL – 198363 A/C>	1,069,959	2.30%
7 Ahmed Nabil	1,017,575	2.19%
8 Stephens B.O. & E.J. <Stephens Group S/F A/C>	960,000	2.06%
9 JSR Nominees PL <Richardson Family A/C>	903,756	1.94%
10 LTL Cap PL <LTL Cap A/C>	875,000	1.88%
11 Crawford Falls PL	856,640	1.84%
12 Meldej PL <Michael J Egan Ret>	846,640	1.82%
13 Ashabia PL <Ashabia S/F A/C>	630,000	1.35%
14 Pinnacle Super PL <PJF S/F A/C>	600,000	1.29%
15 Richards Andrew Bruce	600,000	1.29%
16 One Managed Inv Funds Ltd <TI Growth A/C>	460,000	0.99%
17 Nuflora International PL	423,320	0.91%
18 One Managed Inv Funds Ltd <Technical Investin>	407,500	0.88%
19 HSBC Custody Nominees Australia Ltd	392,471	0.84%
20 Debbie Crowley	370,000	0.80%
TOTAL	34,080,047	73.28%

(e) Marketable Parcel

There are 93 holders of less than a marketable parcel of (\$500,00) holding 69,171 fully paid shares.
There are 261 holders of an uneconomical parcel (<\$2,000) holding 443,237 fully paid ordinary shares.

(f) Restricted Securities

There are 21,381,514 ordinary shares held in escrow until 26 April 2018