

Wingara AG Limited

Appendix 4E

Preliminary Final Report

Nine months ended 31 March 2017

Name of entity:	Wingara AG Limited
ABN or equivalent company reference:	009 087 469
Current reporting period:	Nine months ended 31 March 2017
Corresponding reporting period:	Year ended 30 June 2016

Results for announcement to the market

		For the nine months ended 31 March 2017		For the year ended 30 June 2016
		\$		\$
Revenue for ordinary activities		8,686,722		10,368,340
Net loss after tax (from ordinary activities) for the period attributable to members		176,243		4,271,633
				For the nine months ended 31 March 2017
				\$
Revenue for ordinary activities	Down	16.2%	to	8,686,722
Net loss after tax (from ordinary activities) for the period attributable to members	Down	95.9%	to	176,243

Explanation of results

The current reporting period results comprise of only **nine months of operations** (as the Group changed its reporting date from 30 June to 31 March to better reflect the full cycle of hay season) as compared to a full year of the corresponding reporting period. For more details, please refer to the *Review of operations* section on page 3 of the accompanying Annual Report.

Distributions

	Amount per security	Franked amount per security
	-	-
Interim dividend (per share)	-	-
Final dividend (per share)	-	-
Franking	-	-
	31 March 2017	30 June 2016
	Cents	Cents
Net tangible asset backing (per share)	5.69	2.84
Net asset backing (per share)	8.03	5.54

Changes in controlled entities

There have been no changes in controlled entities during the current reporting period.

Other information required by Listing Rule 4.3A

None.

Audit

The consolidated financial statements as at and for the nine months ended 31 March 2017 have been audited and an unmodified audit report has been issued by the Company's auditor.

Wingara AG Limited

ACN 009 087 469

Annual report

for the nine months ended 31 March 2017

Wingara AG Limited ACN 009 087 469
Annual report - 31 March 2017

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Directors	Gavin Xing <i>Executive Chairman & Managing Director</i>
	James Everist <i>Non-Executive Director</i>
	Eric Jiang <i>Independent Non-Executive Director</i>
Secretary	Phillip Hains
Principal registered office in Australia	Suite 1/1233 High Street Armadale VIC 3143 Australia
Share and debenture register	Computershare Investor Services Pty Ltd Level 2, 45 St Georges Terrace Perth Western Australia 6000 1300 55 70 10 (within Australia) & +61 8 9323 2000 (overseas)
Auditor	William Buck Level 20, 181 William Street Melbourne Victoria 3000
Solicitors	Rigby Cooke Lawyers Level 11, 360 Elizabeth Street Melbourne Victoria 3001
Stock exchange listings	ASX: WNR
Website	www.wingaraag.com.au

Dear valued shareholders,

We have changed our financial year end to 31st of March to better reflect the economic cycle of Wingara AG's business. This will also allow a more transparent presentation of company's historical performance.

As noted in our Quarterly report on 21st April 2017, and my previous letter to shareholders, Wingara AG's focus on capital investment and efficiency improvement within the existing Epsom operation has resulted in an increase in both through-put and net operating cash-flow. As a result, we have established a stronger platform to implement our growth strategy in the agriculture sector.

The higher output volume has occurred through a combination of investment in equipment, people, management systems and better market penetration. We remain very conscious of our stewardship on behalf of all interested parties and will continue our diligent approach in pursuing new opportunities to increase Shareholder value.

As part of our growth strategy in soft commodities export, we were pleased to recently announce the purchase of a new 20 hectare site in Dooen (Horsham), Victoria, which will be developed into a new logistic and processing facility that could process and market up to 200,000 MT of fodder products. This purchase within the new intermodal freight facility will also allow for expansion into the processing, storing and exporting of other agricultural products by Wingara AG in the medium term.

We remain committed to building a significant presence in the Australian agricultural space for shareholders to benefit from the strong macro-economic trends supporting this investment theme, but will do so in a sustainable and financially responsible way. On behalf of Management and the Board I would like to thank all our shareholders for their on-going support.

For and on behalf of the Board;



Gavin Xing
Executive Chairman

31 May 2017

Your directors present their report on the consolidated entity consisting of Wingara AG Limited and the entities it controlled at the end of, or during, the nine months ended 31 March 2017. Throughout the report, the consolidated entity is also referred to as the Group.

Directors and company secretary

Gavin Xing - Executive Chairman & Managing Director

James Everist - Non-Executive Director

Eric Jiang - Non-Executive Director

Phillip Hains - Company Secretary

Principal activities

The principal activities of Wingara AG Limited are to act as product processor and marketer of agricultural products.

Dividends

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial period were as follows:

On 22 February 2017, the directors of Wingara AG Limited have passed a resolution to change the Group's financial reporting period from 30 June to 31 March to better reflect the economic cycle of the hay trading business. Effectively, the Group has prepared the accompanying consolidated financial statements for the transitional period from 1 July 2016 to 31 March 2017. The corresponding comparatives are as at and for the financial year ended 30 June 2016.

There have been no other significant changes in the state of affairs of the Group during the period.

Review of operations

Net loss for the nine months ended 31 March 2017 was \$176,243 (2016: \$4,271,633). Loss for the current reporting period includes \$212,523 in transaction costs arising from non-ordinary activities which are one-off in nature.

As at 31 March 2017, the Group had a total cash reserves of \$6,814,101 (2016: \$2,144,927). During the current reporting period, the Group achieved a net operating cash inflow of \$132,895 (2016: outflow of \$157,675). This is a reflection of (i) strong export sales with international demand of our products in excess of our supply, and (ii) opportunistic domestic hay trading to better manage the quality of our inventory against international demand and take advantage of the strong domestic prices available in the market before the new harvest season arrived.

The Group continued to invest in its capital equipment in accordance with management's plan to expand production and improve output volume in order to meet both domestic and international demand.

In October 2016, the Group executed a Memorandum of Understanding with the Horsham Rural City Council ("HRCC") which gives the Group an exclusive option to purchase a 20 Ha greenfield site adjacent to the railway terminal on which the Group can commence a development application with HRCC. This acquisition will enable the Group to invest in and develop a regional agricultural business centre focusing on the provision of processing, storing, warehousing, logistics, and marketing key agricultural products including, but not limited to, fodder and grain.

Subsequently in May 2017, the Group signed the contract of sale with HRCC to purchase this greenfield. Subject to the timing of the re-zoning, Wingara is aiming to commence operations on this site in time for the 2018/2019 hay season with the new site to be an export hay facility capable of exporting up to 200,000 tonnes per year. The size of the property will also allow for possible expansion into processing, storing and exporting of other agricultural products.

Review of operations (continued)

During the period, the Group also successfully raised \$5 million through the issue of new shares and convertible notes. The proceeds were used to invest in the platform for the future capacity growth of the existing hay processing operations, and to pursue other growth opportunities.

Events since the end of the financial year

No matter or circumstance, other than the greenfield purchase discussed above, has arisen since 31 March 2017 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Environmental regulation

The Group is not affected by any significant environmental regulation in respect of its operations.

Information on directors

Gavin Xing <i>Executive Chairman and Managing Director</i>	
Experience and expertise	Mr Xing graduated in 1995 from Royal Melbourne Institute of Technology with a Bachelor degree in Accounting and Economics, then completing in 1998 a Graduate Diploma in Applied Finance and Investment from Security Institute of Australia and in 1999 a Master degree in Applied Finance from Macquarie University. Mr Xing has over 17 years of experience in investment banking, commodities and financing fields with a strong infrastructure, natural resources and commodities background. He held a number of sales, origination and structuring positions within Global Market Division at Deutsche Bank AG Asia from 2007 to 2013. These positions included: Director - Principal Finance (Hong Kong office), Head of Commodities Structuring, China (Beijing office) and Head of Origination - Commodities, Asia (Singapore office). Prior to this he was a Director of Project/ Infrastructure Finance with HSBC Asia and Vice President of Structured Finance for Sumitomo Mitsui Banking Corporation from 2001 to 2007 in Hong Kong and Singapore. From 1996 to 2000, Mr Xing worked at the investment banking division at Deutsche Bank AG and ANZ in Melbourne, Australia with a focus on infrastructure investment and financing.
Other current directorships	-
Former directorships in last 3 years	-
Special responsibilities	-
Interests in shares and options	10,000,000 ordinary shares -

Information on directors (continued)

James Everist <i>Non-Executive Director</i>	
Experience and expertise	Mr Everist has 30 years' experience in resources and financial markets across corporate treasury, investment banking and private wealth management. He has held treasury positions with Aztec Mining, Normandy Mining and WMC Ltd and also held senior investment banking roles with Bell Commodities, Standard Chartered Bank (Mocatta) and Morgan Stanley Singapore specialising in precious and base metals. Mr Everist is Managing Director of his own consulting company and advises on forensic accounting, funds management, alternative investments and portfolio management for family offices, including six years (2009 - 2015) as Chief Investment Officer for Ottomin Investment Group. Mr. Everist is also the Portfolio Manager - Agriculture and Resources at Prime Value Asset Management.
Other current directorships	
Former directorships in last 3 years	-
Special responsibilities	-
Interests in shares and options	410,000 ordinary shares -

Eric Jiang <i>Independent Non-Executive Director</i>	
Experience and expertise	Mr Jiang has a B.Comm degree and has over 15 years' experience in the financial services sector as a corporate consultant and advisor, holding senior executive and non-executive positions on several ASX listed companies. Mr Jiang has held executive positions within several financial advisory firms and has built a substantial financial advice practice. Mr Jiang has a strong background in China and Asia business and has committee positions on a number of China/Australia associations such as the Guangdong Australia Association. In addition, Mr Jiang has developed broad expertise as a corporate advisor to ASX listed companies and is a director of two ASX listed companies.
Other current directorships	Perpetual Resources Limited (from 29 November 2011 to present) Connexion Media Limited (from 4 March 2011 to 8 May 2017) Wattle Health Australia Limited (from 15 May 2017 to present)
Former directorships in last 3 years	-
Special responsibilities	-
Interests in shares and options	2,268,000 ordinary shares -

Company secretary

Mr. Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has served the needs of a number of company boards and their related committees. He has over 20 years' experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT and a Public Practice Certificate from the Chartered Accountants Australia and New Zealand.

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the nine months ended 31 March 2017, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees	
			Audit	
	A	B	A	B
Gavin Xing	6	6	6	6
James Everist	6	6	6	6
Eric Jiang	6	6	6	6

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the period

Remuneration report

The directors present the Wingara AG Limited 2017 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this financial period.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The report is structured as follows:

- (a) Principles used to determine the nature and amount of remuneration
- (b) Remuneration policy and link to performance
- (c) Details of remuneration
- (d) Service agreements

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

(a) Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

At present the functions of the Remuneration and Nomination Committee in relation to the remuneration of the Company's executives (including share and benefit plans) are carried out by the full Board. No directors are present at meetings of the Board in this function where their own remuneration is being considered. Issues of remuneration are considered annually or otherwise as required.

The Board is in the process of structuring an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity, including:

Remuneration report (continued)

(a) Principles used to determine the nature and amount of remuneration (continued)

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- reflects competitive reward for contribution to growth in shareholder wealth
- rewards capability and experience
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Directors and executive remunerations are separate.

Non-Executive Directors remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate Non-Executive Directors remuneration be determined periodically by a general meeting. There has been no determination on the approved aggregate remuneration to date by shareholders.

Executive remuneration

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

The executive remuneration and reward framework has two components:

- base pay and non-monetary benefits
- other remuneration such as superannuation and long service leave

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

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

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

(b) Remuneration policy and link to performance

Remuneration of executive and non-executive directors consists of unrisks element (base pay). As such, remuneration is not linked to the performance of the company in the current or previous reporting periods.

Remuneration report (continued)

(b) Remuneration policy and link to performance (continued)

Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The consolidated entity was formed on 27 January 2016 and thus any prior financial performance is considered irrelevant to the existing consolidated entity. During the nine months ended 31 March 2017, the net loss after tax was \$176,243 (year ended 30 June 2016: \$4,271,633), with with closing share price at each period end to be \$0.285 and \$0.245 per share, respectively. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there is no direct correlation between the statutory key performance measures and the variable remuneration awarded.

(c) Details of remuneration

Amounts of remuneration

The following table shows details of the remuneration expense recognised for the Group's key management personnel for the current and previous financial period measured in accordance with the requirements of the accounting standards.

	Short-term employee benefits		Post-employment benefits	Share based payments	Total
	Cash salary and fees	Non-monetary benefits	Super-annuation	Shares/Options Issued	
	\$	\$	\$	\$	\$
For the nine-month period ended 31 March 2017					
Directors					
Gavin Xing	199,897	13,899	18,990	-	232,786
James Everist	27,398	-	2,603	-	30,001
Eric Jiang	23,125	-	2,197	-	25,322
	250,420	13,899	23,790	-	288,109
Other key management personnel					
Marcello Diamante	105,374	3,807	10,011	-	119,192
Kellie Barker	88,470	6,798	8,405	-	103,673
	193,844	10,605	18,416	-	222,865
Total key management personnel compensation	444,264	24,504	42,206	-	510,974
For the year ended 30 June 2016					
Directors					
Gavin Xing	88,843	5,920	8,440	-	103,203
James Everist	12,177	-	1,157	-	13,334
Eric Jiang	12,177	-	1,157	-	13,334
Peter Angelakos (resigned 13 July 2015)	2,000	-	-	-	2,000
	115,197	5,920	10,754	-	131,871
Other key management personnel					
Marcello Diamante	50,053	4,358	4,755	-	59,166
Kellie Barker	34,247	2,645	3,253	-	40,145
	84,300	7,003	8,008	-	99,311
Total key management personnel compensation	199,497	12,923	18,762	-	231,182

Remuneration report (continued)

(c) Details of remuneration (continued)

Shareholding

The number of shares in the parent entity held during the period by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	1 July 2016	Received as part of remuneration	Additions	Disposals /others	31 March 2017
	\$	\$	\$	\$	\$
Directors					
Gavin Xing	10,000,000	-	-	-	10,000,000
James Everist	410,000	-	-	-	410,000
Eric Jiang	2,268,000	-	-	-	2,268,000
	<u>12,678,000</u>	-	-	-	<u>12,678,000</u>
Other key management personnel					
Marcello Diamante	850,000	-	-	-	850,000
Kellie Barker	10,000,000	-	-	-	10,000,000
	<u>10,850,000</u>	-	-	-	<u>10,850,000</u>
	<u>23,528,000</u>	-	-	-	<u>23,528,000</u>

(d) Service agreements

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

Name:	Gavin Xing
Title:	Executive Chairman and Managing Director
Agreement commenced:	10 February 2016
Term of agreement:	Less than 1 year of service - 1 week of notice From 1 to 3 years of service - 2 weeks of notice From 3 to 5 years of service - 3 weeks of notice More than 5 years of service - 4 weeks of notice
Details:	\$251,850 inclusive of superannuation as Managing Director \$40,000 in Director Fees Remuneration is reviewed annually
Name:	James Everist
Title:	Non-Executive Director
Agreement commenced:	27 January 2016
Term of agreement:	Open until a written notice of resignation is communicated by the Director
Details:	\$40,000 in Director Fees

Remuneration report (continued)

(d) Service agreements (continued)

Name: Eric Jiang
Title: Independent Non-Executive Director
Agreement commenced: 27 January 2016
Term of agreement: Open until a written notice of resignation is communicated by the Director
Details: \$40,000 in Director Fees

Name: Kellie Barker
Title: Chief Operating Officer
Agreement commenced: 8 February 2016
Term of agreement: Less than 1 year of service - 1 week of notice
From 1 to 3 years of service - 2 weeks of notice
From 3 to 5 years of service - 3 weeks of notice
More than 5 years of service - 4 weeks of notice
Details: \$150,000 inclusive of superannuation.

Name: Marcello Diamante
Title: Chief Financial Officer
Agreement commenced: 8 February 2016
Term of agreement: Less than 1 year of service - 1 week of notice
From 1 to 3 years of service - 2 weeks of notice
From 3 to 5 years of service - 3 weeks of notice
More than 5 years of service - 4 weeks of notice
Details: \$150,000 inclusive of superannuation.

(e) Additional statutory information

Other transactions with key management personnel

During the nine months period ended 31 March 2017, the Group repaid \$1,070,537 of its inventory facility to key management personnel from operating cash flow. This loan was provided to the Group to finance its inventory purchase and did not bear any interest or other costs to the Group during its entire term. This inventory loan is now fully repaid.

During the nine months ended 31 March 2017, the Group has issued a total of \$420,000 in convertible notes to the associated entity of a key management personnel, at the same terms and conditions with the notes issued to other noteholders.

The Group signed a lease agreement with the associated entity of a key management personnel to rent the office space in Kew, Victoria at market price. During the nine months ended 31 March 2017, the Group has paid a total of \$12,604 in office rental to these related parties.

[This concludes the Remuneration Report, which has been audited]

Shares under option

There are no shares under option at the date of this Director's report.

Insurance of officers and indemnities

(a) Insurance of officers

The Group has indemnified the Directors and executives of the Group for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Insurance of officers and indemnities (continued)

(a) Insurance of officers (continued)

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

(b) Indemnity of auditors

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial period, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on behalf of the company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (William Buck) for audit and non-audit services provided during the period are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the period the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Nine months ended 31 March 2017	Year end 30 June 2016
Other assurance services		
William Buck firm:		
Due diligence services	32,000	440
Total remuneration for other assurance services	32,000	440
Taxation services		
William Buck firm:		
Tax compliance services	6,850	1,000
	6,850	1,000

Non-audit services (continued)

	Nine months ended 31 March 2017	Year end 30 June 2016
<i>Total remuneration for taxation services</i>	6,850	1,000
Other services		
<i>Total remuneration for other services</i>	<u>-</u>	<u>-</u>
<i>Total remuneration for non-audit services</i>	<u>38,850</u>	<u>1,440</u>

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Corporate governance statement

In accordance with ASX listing Rule 4.10.3, the Company's 2017 Corporate Governance Statements can be found on its website <http://www.wingaraag.com.au/>

This report is made in accordance with a resolution of directors.



Gavin Xing
 Director

Melbourne
 31 May 2017

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

I declare that, to the best of my knowledge and belief during the period ended 31 March 2017 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

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

N. S. Benbow

N. S. Benbow
Director

Dated this 31st day of May, 2017

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 20, 181 William Street
Melbourne VIC 3000

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williambuck.com

Wingara AG Limited
Consolidated statement of profit or loss and other comprehensive income
For the nine months ended 31 March 2017

	Notes	For the nine months ended 31 March 2017 \$	For the year ended 30 June 2016 \$
Sale of hay		8,686,722	10,368,340
Other income		36,016	9,851
		<u>8,722,738</u>	<u>10,378,191</u>
Hay purchased		(4,566,770)	(5,325,501)
Loss on disposal of assets		-	(39,646)
Administration expenses		(2,502,948)	(2,136,856)
Freight expenses		(954,426)	(1,521,361)
Occupancy costs		(147,735)	(168,184)
Earnings before finance costs, tax, depreciation and amortisation and transaction expenses		550,859	1,186,643
Depreciation expenses		(335,581)	(425,927)
Finance expenses		(136,475)	(140,531)
Transaction costs		(212,523)	(4,718,430)
Loss before income tax expense		(133,720)	(4,098,245)
Income tax expense	4	(42,523)	(173,388)
Loss for the period		(176,243)	(4,271,633)
Other comprehensive income			
Other comprehensive income/(expense) for the period, net of tax		-	-
Total comprehensive loss for the period		(176,243)	(4,271,633)
		Cents	Cents
Loss per share attributable to the ordinary equity holders of the Group:			
Basic and diluted loss per share	18	0.24	10.66

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

Wingara AG Limited
Consolidated statement of financial position
As at 31 March 2017

		31 March 2017	30 June 2016
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5(b)	6,814,101	2,144,927
Trade and other receivables	5(a)	513,300	695,567
Inventories	6(c)	1,264,497	1,400,596
Current tax receivables		85,929	-
Other current assets	6(d)	786,364	306,725
Total current assets		9,464,191	4,547,815
Non-current assets			
Property, plant and equipment	6(a)	2,205,570	1,875,255
Deferred tax assets		14,580	20,309
Intangible assets	6(b)	1,816,075	1,816,075
Other non-current assets		127,668	3,320
Total non-current assets		4,163,893	3,714,959
Total assets		13,628,084	8,262,774
LIABILITIES			
Current liabilities			
Trade and other payables	5(c), 6(d)	1,153,361	825,105
Borrowings	5(d)	2,997,068	2,357,324
Current tax liabilities		-	190,462
Employee benefit obligations	6(e)	69,819	39,974
Total current liabilities		4,220,248	3,412,865
Non-current liabilities			
Borrowings	5(d)	3,181,970	1,120,981
Total non-current liabilities		3,181,970	1,120,981
Total liabilities		7,402,218	4,533,846
Net assets		6,225,866	3,728,928
EQUITY			
Contributed equity	7(a)	11,701,104	9,027,923
Accumulated losses		(5,475,238)	(5,298,995)
Total equity		6,225,866	3,728,928

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

Wingara AG Limited
Consolidated statement of changes in equity
For the nine months ended 31 March 2017

Notes	Attributable to owners of Wingara AG Limited		Total \$
	Contributed equity \$	(Accumulated losses)/ Retained earnings \$	
Balance at 1 July 2015	2	426,254	426,256
Loss for the period	-	(4,271,633)	(4,271,633)
Total comprehensive loss for the period	-	(4,271,633)	(4,271,633)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs and tax	7(a) 9,027,921	-	9,027,921
Allocation of pre-acquisition profit	-	(1,453,616)	(1,453,616)
	9,027,921	(1,453,616)	7,574,305
Balance at 30 June 2016	9,027,923	(5,298,995)	3,728,928
Balance at 1 July 2016			
	9,027,923	(5,298,995)	3,728,928
Loss for the period	-	(176,243)	(176,243)
Total comprehensive loss for the period	-	(176,243)	(176,243)
Transactions with owners in their capacity as owners:			
Issue of shares - gross contribution received	2,999,000	-	2,999,000
Less: transaction costs	7(a) (383,819)	-	(383,819)
Issue of shares from conversion of convertible notes	7(a) 58,000	-	58,000
	2,673,181	-	2,673,181
Balance at 31 March 2017	11,701,104	(5,475,238)	6,225,866

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

Wingara AG Limited
Consolidated statement of cash flows
For the nine months ended 31 March 2017

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers	8,840,823	10,923,306
Payments to suppliers, employees and others	(8,294,283)	(10,756,980)
Interest received	36,015	2,551
Interest paid	(136,475)	(140,531)
Income taxes paid	(313,185)	(186,021)
Net cash inflow (outflow) from operating activities	8 <u>132,895</u>	<u>(157,675)</u>
Cash flows from investing activities		
Acquisition of Controlled entity (net of cash received)	-	2,754
Purchase of property, plant and equipment	(695,106)	(224,944)
Payments for other non-current assets	(124,348)	(3,320)
Net cash (outflow) from investing activities	(819,454)	(225,510)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	2,863,000	4,850,360
Payments for transaction costs for the issue of ordinary shares	(266,000)	(435,662)
Proceeds from issue of convertible notes	2,000,000	-
Proceeds from borrowings	1,846,074	3,771,888
Repayment of borrowings	(1,087,341)	(6,371,756)
Net cash inflow from financing activities	5,355,733	1,814,830
Net increase in cash and cash equivalents	4,669,174	1,431,645
Cash and cash equivalents at the beginning of the financial year	2,144,927	713,282
Cash and cash equivalents at end of period	5(b) <u>6,814,101</u>	<u>2,144,927</u>

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

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1 Significant changes in the current reporting period

On 22 February 2017, the directors of Wingara AG Limited have passed a resolution to change the Group's financial reporting period from 30 June to 31 March to better reflect the seasonal factor of the hay trading business. Effectively, the Group has prepared the accompanying consolidated financial statements for the transitional period from 1 July 2016 to 31 March 2017. The corresponding comparatives are as at and for the financial year ended 30 June 2016.

However, the financial position and performance of the Group was not affected by the above event.

2 Segment information

The group continues to operate in one segment, acting as product processor and marketer of agricultural products in Australia. The segment details are therefore fully reflected in the body of the consolidated financial statements. During the nine months ended 31 March 2017, revenue from exporting to Asia and domestic sales contributed to 95% and 5%, respectively of the total revenue of the entire group.

During the nine months period ended 31 March 2017, one of the Group's major customer contributed 23% to the Group's total revenue. No other single customers contributed 10% or more to the Group's revenue for the period.

How numbers are calculated

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- (a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
- (b) analysis and sub-totals, including segment information
- (c) information about estimates and judgements made in relation to particular items.

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3 Operating expenses

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
Notes	\$	\$
Administration Expenses		
Employee related expenses	1,386,974	1,032,613
Utilities and other office expenses	261,020	300,428
External consultancy and audit expenses	145,509	205,910
Site expenses	380,844	412,591
Other administration expenses	328,601	185,314
	<u>2,502,948</u>	<u>2,136,856</u>

4 Income tax expense

(a) Income tax expense

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
	\$	\$
<i>Current tax</i>		
Current tax	36,794	190,462
Total current tax expense	<u>36,794</u>	<u>190,462</u>
<i>Deferred income tax</i>		
Decrease (increase) in deferred tax assets	5,729	(17,074)
Total deferred tax expense/(benefit)	<u>5,729</u>	<u>(17,074)</u>
Income tax expense	<u>42,523</u>	<u>173,388</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
	\$	\$
Loss before income tax expense	(133,720)	(4,098,245)
Tax at the Australian tax rate of 30.0% (2016 - 30.0%)	(40,116)	(1,229,474)
Tax effect of amounts which are not deductible (taxable)		
in calculating taxable income:		
Non-deductible permanent differences, including tax loss positions not carried forward due to not meeting carry-forward eligibility criteria	82,639	1,402,862
Income tax expense	<u>42,523</u>	<u>173,388</u>

4 Income tax expense (continued)

(c) Temporary differences

	31 March 2017	30 June 2016
	\$	\$
Provision for annual leave	20,719	26,223
Unrealised foreign exchange loss	(955)	2,013
Unpaid superannuation	15,185	9,068
Accruals	13,651	30,392
	48,600	67,696
Deferred tax assets recognised from temporary differences	14,580	20,309

5 Financial assets and financial liabilities

This note provides information about the Group's financial instruments, including:

- Trade and other receivables
- Cash and cash equivalents
- Borrowings
- Recognised fair value measurements

(a) Trade and other receivables

	31 March 2017			30 June 2016		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Trade receivables	512,687	-	512,687	666,788	-	666,788
Other receivables	613	-	613	28,779	-	28,779
	513,300	-	513,300	695,567	-	695,567

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 to 60 days and therefore are all classified as current. The Group's other accounting policies for trade and other receivables are outlined in notes 19(k).

(ii) Impairment and risk exposure

Information about the impairment of trade and other receivables, their credit quality and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 9.

5 Financial assets and financial liabilities (continued)

(b) Cash and cash equivalents

	31 March 2017	30 June 2016
	\$	\$
Current assets		
Cash at bank and in hand	3,314,101	2,144,927
Term deposit	3,500,000	-
	6,814,101	2,144,927

The term deposit has a duration of 3 months, earning 1.65% interest per annum.

(i) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See note 19(j) for the group's other accounting policies on cash and cash equivalents.

(ii) Risk exposure

The Group's exposure to interest rate risk is discussed in note 9. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Trade and other payables

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

	31 March 2017			30 June 2016		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Trade payables	691,907	-	691,907	646,471	-	646,471
Other payables	82,507	-	82,507	30,435	-	30,435
	774,414	-	774,414	676,906	-	676,906

(d) Borrowings

	31 March 2017			30 June 2016		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Secured						
Commercial bill & loan	2,395,028	800,000	3,195,028	1,000,000	800,000	1,800,000
Asset finance loan	395,481	298,085	693,566	264,233	162,292	426,525
Other loans	184,005	-	184,005	-	-	-
Total secured borrowings	2,974,514	1,098,085	4,072,599	1,264,233	962,292	2,226,525

5 Financial assets and financial liabilities (continued)

(d) Borrowings (continued)

	31 March 2017			30 June 2016		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Unsecured						
Lease liabilities	22,554	141,885	164,439	22,554	158,689	181,243
Convertible notes	-	1,942,000	1,942,000	-	-	-
Inventory facility	-	-	-	1,070,537	-	1,070,537
Total unsecured borrowings	22,554	2,083,885	2,106,439	1,093,091	158,689	1,251,780
Total borrowings	2,997,068	3,181,970	6,179,038	2,357,324	1,120,981	3,478,305

(i) Secured liabilities and assets pledged as security

Liabilities (current and non-current) listed below are secured by machinery and equipment owned by the Group:

Commercial bill & loan:

- ANZ tailored commercial facility with a facility limit of \$800,000, expiring on 15 May 2019. This facility is subject to a customer margin and line fee of 1.30% and 2.20% per annum respectively.
- Revolving loan facility with a facility limit of \$2,616,875 from 1 November to 14 September each year. As at 31 March 2017, \$2,395,028 has been drawn down from this facility. This facility is subject to BBR rate plus a margin of 1.30% per annum and a line fee of 2.20% per annum.

Asset finance loan:

- ANZ asset finance loan bears an interest rate of 5.12% per annum.

(ii) Unsecured liabilities

Lease liabilities:

- Finance leases over fixed assets with interest rates of 8.4% and duration of five (5) years.

Shareholder loan

- This loan is owed to the shareholders of the company, being its directors and is non-interest bearing and repayable at call. This loan was fully repaid by the Group during the financial period.

(iii) Compliance with loan covenants

Wingara AG Limited has complied with the financial covenants of its borrowing facilities during the 2017 and 2016 reporting periods.

(iv) Convertible notes

On 15 August 2016, Wingara AG Limited completed the issue of \$2 million in convertible notes with a duration of 2 years and interest rate of 5% per annum.

The noteholder may elect to receive the note principal either:

- in cash on the Maturity Date plus an additional cash Bonus Premium Payment of 2.5% of the note principal; or
- convert into new fully paid ordinary shares of the Company at each of the following anniversary dates and prices during the note period:

5 Financial assets and financial liabilities (continued)

(d) Borrowings (continued)

At the 1st interest payment date (31st January 2017), or at any interest payment date semi-annually thereafter, the noteholder may elect to convert up to 10% of the note principal, into new shares of the Company at a conversion price of \$0.25 per share.

At the 2nd interest payment date (31st July 2017), or at any interest payment date semi-annually thereafter, the noteholder may elect to convert up to a further 50% of the note principal, into new shares of the Company at a conversion price of \$0.30 per share.

At the 3rd interest payment date (31st January 2018) or at any interest payment date semi-annually thereafter, the noteholder may elect to convert up to a further 40% of the note principal, into new shares of the Company at a conversion price of \$0.35 per share.

Details on the recognition and measurement of the convertible notes are discussed in note 19(r).

During the nine months ended 31 March 2017, the noteholders have elected to convert \$58,000 of the note principal into new fully paid ordinary shares of the Company.

(v) Risk exposures

Details of the group's exposure to risks arising from current and non-current borrowings are set out in note 9.

(e) Recognised fair value measurements

The Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

As at 31 March 2017, the carrying amount of all financial instruments is a reasonable approximation of their fair value.

6 Non-financial assets and liabilities

This note provides information about the Groups' non-financial assets and liabilities, including:

- Property, plant and equipment
- Intangible assets
- Inventories
- Other non-financial assets/(liabilities)
- Employee benefit obligations

6 Non-financial assets and liabilities (continued)

(a) Property, plant and equipment

	Plant and equipment \$	Furniture, fittings and equipment \$	Machinery and vehicles \$	Other \$	Total \$
At 30 June 2016					
Cost or fair value	2,125,096	-	307,357	-	2,432,453
Accumulated depreciation	(506,572)	-	(50,626)	-	(557,198)
Net book amount	1,618,524	-	256,731	-	1,875,255
At 31 March 2017					
Cost	2,242,913	28,702	571,957	238,989	3,082,561
Accumulated depreciation	(707,654)	(12,364)	(92,400)	(64,573)	(876,991)
Net book amount	1,535,259	16,338	479,557	174,416	2,205,570

Movements

Year ended 30 June 2016

Opening net book amount	1,819,291	-	135,945	-	1,955,236
Additions	224,729	-	160,357	-	385,086
Disposals	(39,140)	-	-	-	(39,140)
Depreciation charge	(386,356)	-	(39,571)	-	(425,927)
Closing net book amount	1,618,524	-	256,731	-	1,875,255

Nine months ended 31 March 2017

Opening net book amount	1,618,524	-	256,731	-	1,875,255
Additions	295,031	14,031	309,599	74,662	693,323
Disposals	-	-	(29,210)	-	(29,210)
Reclassification	(147,421)	8,932	-	138,489	-
Depreciation charge	(230,875)	(6,625)	(57,563)	(38,735)	(333,798)
Closing net book amount	1,535,259	16,338	479,557	174,416	2,205,570

(i) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment 2 - 10 years
- Furniture, fittings and equipment 3 - 5 years
- Motor vehicles 5 - 7 years
- Others 3 - 10 years

See note 19(n) for the other accounting policies relevant to property, plant and equipment.

6 Non-financial assets and liabilities (continued)

(b) Intangible assets

Non-Current assets	Goodwill \$	Export license \$	Total \$
At 30 June 2016			
Cost	31,711	1,784,364	1,816,075
Accumulated amortisation and impairment	-	-	-
Net book amount	31,711	1,784,364	1,816,075
At 31 March 2017			
Cost	31,711	1,784,364	1,816,075
Accumulated amortisation and impairment	-	-	-
Net book amount	31,711	1,784,364	1,816,075

(i) Impairment tests for goodwill & export license

Goodwill and export license acquired through business combinations has been allocated to cash-generating unit JC-Tanloden ('CGU').

The recoverable amount of the CGU to which goodwill & export license was allocated, has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2-year projection period approved by management and extrapolated for a further 4 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating unit is most sensitive.

The following key assumptions were used in the discounted cash flow model: (a) 12.05% pre-tax discount rate (2016: 13.15%); (b) 5% per annum projected revenue growth rate (2016: 5%); (c) 2.5% per annum increase in operating costs and overheads (2016: 5%).

- The pre-tax discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying asset that have not be incorporated in the cash flows model. The discount rate calculation is based on the specific circumstances of the CGU, and is derived from its weighted average cost of capital ('WACC'). The WACC includes both cost of debt and equity. The cost of debt is based on the interest-bearing borrowings the CGU is obliged to service. The cost of equity is based on the expected return on investment by the Company's shareholders. In calculation of the cost of equity, management has accounted for the segment-specific risk by applying the beta factor, which is publicly available market data.
- Revenue growth rate of 5% in subsequent years is derived based on a combination of historical performance references, market outlooks and current expansion and development plan of the business.
- The estimation of the annual operating costs and overheads increase is consistent with the revenue growth as majority of the costs are variable by nature.

There were no other key assumptions.

Based on the above key assumptions, the recoverable amount is estimated at \$9,663,379, which does not result in any impairment expense to be deducted from the carrying value of the goodwill & export license at 31 March 2017.

(ii) Sensitivity

As disclosed in note 19(a)(v), the directors have made judgements and estimates in revenue growth and operating costs/overheads level in respect of impairment testing of goodwill and export license. Should these judgements and estimates not occur the resulting goodwill and export license carrying amount may decrease.

6 Non-financial assets and liabilities (continued)

(b) Intangible assets (continued)

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

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill and export license is based, this would result in a further impairment charge for the goodwill and export license.

(c) Inventories

	31 March 2017	30 June 2016
	\$	\$
Current assets		
Finished Goods - Hays purchased for sale	1,264,497	1,400,596
	1,264,497	1,400,596

(d) Other non-financial assets/(liabilities)

	31 March 2017			30 June 2016		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
GST receivable	682,523	-	682,523	231,004	-	231,004
Others	103,841	-	103,841	75,721	-	75,721
	786,364	-	786,364	306,725	-	306,725
Payroll tax and other statutory liabilities	(378,947)	-	(378,947)	(148,199)	-	(148,199)
	(378,947)	-	(378,947)	(148,199)	-	(148,199)

(e) Employee benefit obligations

	31 March 2017			30 June 2016		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Leave obligations	69,819	-	69,819	39,974	-	39,974

The leave obligations cover the group's liability for annual leave.

The current portion of this liability includes all of the accrued annual leave. The entire amount of the provision of \$69,819 (2016 - \$39,974) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

7 Contributed equity

	31 March 2017	30 June 2016	31 March 2017	30 June 2016
	No. of Shares	No. of Shares	\$	\$
Ordinary shares - fully paid	77,546,578	67,317,915	11,701,104	9,027,923
Total issued capital	77,546,578	67,317,915	11,701,104	9,027,923

(a) Movements in ordinary shares:

Details	Number of shares	\$
Opening balance 1 July 2015	2	2
Elimination of issued capital in Elect	(2)	-
Deemed fair value of consideration to Biron shareholders on Reverse Acquisition	8,266,117	1,653,223
Shares issued to Elect Performance Group Pty Ltd on Reverse Acquisition	20,000,000	-
Issue of shares \$0.20 pursuant to the Prospectus	24,251,798	4,850,360
Shares issued to Superior	10,000,000	2,000,000
Share issue from conversion of convertible notes	4,800,000	960,000
Transaction costs relating to share (*)	-	(435,662)
Balance 30 June 2016	67,317,915	9,027,923

Details	Number of shares	\$
Share issue from conversion of convertible notes	232,000	58,000
Shares issue via private placement in August 2016	9,996,663	2,999,000
Transaction costs relating to share (*)	-	(383,819)
Balance 31 March 2017	77,546,578	11,701,104

Private placement in August 2016

On 15 August 2016, the Company announced to the completion of a private placement, in which 9,996,662 new ordinary shares were issued to sophisticated and institutional investors at a price of \$0.30 per share.

Transaction costs relating to share issues

Under AASB 132, incremental costs that are directly attributable to issuing new shares should be deducted from equity.

(*) During the nine months period ended 31 March 2017, the Company issued 473,333 shares at nil consideration to certain parties in exchange for advisory and consultation services in relation to the private placement. These shares were value at \$0.30 per share which was similar to the price of shares issued under the placement.

(b) Ordinary shares

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

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

8 Cash flow information

	For the nine months ended 31 March 2017 \$	For the year ended 30 June 2016 \$
Loss for the period	(176,243)	(4,271,633)
Adjustment for		
Depreciation	335,581	425,927
Net (gain) loss on sale of non-current assets	29,210	39,646
Transaction costs relating to business purchase	-	4,661,534
Change in operating assets and liabilities:		
Decrease/(increase) in trade debtors	182,267	(440,812)
Decrease/(increase) in inventories	136,099	(175,524)
Increase in other operating assets	(455,730)	(55,727)
Increase/(decrease) in trade creditors	328,257	(336,562)
Decrease in other liabilities	(246,546)	(4,524)
Net cash inflow (outflow) from operating activities	132,895	(157,675)

Risk

This section of the notes discusses the group's exposure to various risks and shows how these could affect the group's financial position and performance.

9	Financial risk management	32
10	Capital management	35

9 Financial risk management

(a) Financial instrument risk exposure and management

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

The principal financial instruments used by the company, from which financial instrument risk arises include cash and cash equivalents, receivables, trade and other payables and borrowings. The directors consider these to be the material financial instrument risks facing the company:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's commercial bill & loan as disclosed in note 5(d).

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

As at 31 March 2017, the consolidated entity held \$3,195,028 in variable borrowing rates (30 June 2016: \$1,800,000). Should the market interest rates fluctuate by 50 basis points, it would result in an impact of \$11,981 in the current reporting period (2016: \$9,000) on the Group's consolidated loss before tax.

(ii) Commodity price risk

The Group is affected by the price volatility of hay which is a type of commodity. Its operating activities require the ongoing trading of hay and therefore require a continuous supply of hay. Due to the nature of the commodity being significantly seasonal, the Group mitigates the risk of hay price fluctuating unfavourably by working closely with its suppliers to forecast supply volume in upcoming season, along with customer demands. Base on this assessment, management adjusts its level of purchase and storage to maintain a reasonable level of inventory in stock to meet with future demands and avoid any potential shortage due to bad weather.

(iii) Foreign exchange risk

With the majority of its export sales denominated in US Dollars (US\$), fluctuations in the US\$ may impact on the consolidated entity's financial results and its cash flows. The consolidated entity does not engage in any hedging or derivative transactions to manage foreign exchange risk, but instead manages this risk through cash flow forecasting and maintaining adequate reserves of available lines of US\$ credit for its working capital.

The consolidated entity is exposed to foreign currency risk on the receivables and US\$ bank accounts denominated in currencies other than the functional currency of the operations.

As at 31 March 2017, the consolidated entity held an Australian dollars equivalent of \$2,932,785 in US\$ denominated cash balance (30 June 2016: \$451,570) and \$477,810 in US\$ denominated trade receivables (30 June 2016: \$414,411). As at this date, had the US\$ moved by 5%, this would have increased or decreased profit in the consolidated entity by \$170,531 (30 June 2016: \$43,299).

(iv) 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.

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

9 Financial risk management (continued)

(a) Financial instrument risk exposure and management (continued)

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

	31 March 2017	30 June 2016
	\$	\$
Trade receivables		
Less than 30 days	484,078	625,506
From 30 to 60 days	3,786	33,238
From 60 to 90 days	-	2,213
More than 90 days	24,793	5,831
	512,657	666,788

The normal credit term in all sale contracts is 30 to 60 days, based on which management has assessed the impairment of outstanding receivables balance at 31 March 2017. For outstanding balance greater than the normal term at 31 March 2017 and 30 June 2016, management has worked with senior management of the respective counter parties to implement a more reasonable repayment schedule.

(v) Liquidity risk

Liquidity risk arises from the consolidated entity's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the consolidated entity may encounter difficulty in meeting its financial obligations as they fall due.

The consolidated entity's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain sufficient cash balances (or agreed facilities) to meet all current obligations which are due within the next 12 months.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March 2017	30 June 2016
	\$	\$
Commercial bill & loan		
Facility limit	3,416,875	1,965,000
Less: amount used	(3,195,028)	(1,800,000)
Undrawn amount	221,847	165,000
Asset finance		
Facility limit	850,000	435,000
Less: amount used	(693,566)	(426,525)
Undrawn amount	156,434	8,475
Overdraft		
Facility limit	800,000	800,000
Less: amount used	-	-
Undrawn amount	800,000	800,000

9 Financial risk management (continued)

(a) Financial instrument risk exposure and management (continued)

	31 March 2017 \$	30 June 2016 \$
Bank guarantee		
Facility limit	80,000	80,000
Less: amount used	(80,000)	(80,000)
Undrawn amount	-	-
Corporate card		
Facility limit	25,000	25,000
Less: amount used	-	-
Undrawn amount	25,000	25,000
Total facilities		
Facility limit	5,171,875	3,305,000
Less: amount used	(3,968,594)	(2,306,525)
Undrawn amount	1,203,281	998,475

Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) all non-derivative financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

	<30 days	30 - 180 days	180 - 360 days	>1 year	Total contractual cash flows
Contractual maturities of trade payables	\$	\$	\$	\$	\$
At 31 March 2017					
Trade payables	654,234	37,674	-	-	691,907
At 30 June 2016					
Trade payables	789,032	36,074	-	-	825,105
Contractual maturities of borrowings					
At 31 March 2017	<1 year	>1 year	Total contractual cash flows		
	\$	\$	\$	\$	\$
Borrowings	2,997,067	3,181,971	2,997,067	3,181,971	6,179,038
At 30 June 2016					
Borrowings	2,357,324	1,120,981	2,357,324	1,120,981	3,478,305

10 Capital management

(a) Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal mix between debt and equity to minimise the cost of capital

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

(b) Dividends

During the nine months ended 31 March 2017, no dividends were declared or paid by the consolidated entity.

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

11	Contingent liabilities and contingent assets	37
12	Commitments	37
13	Events occurring after the reporting period	37

11 Contingent liabilities and contingent assets

The Group had no contingent assets or liabilities at 31 March 2017 (2016: nil), other than the bank guarantee as disclosed in note 9.

12 Commitments

Non-cancellable operating leases

The consolidated entity has warehouse and storage facilities in Bendigo with a lease term of 6 years at \$145,000 pa payable monthly with an option to renew for further 4 years, with the first right of refusal on the facilities at the conclusion of the lease year. The consolidated entity also leases an office space in Kew with a lease term of 3 years at \$2,500 payable monthly.

	31 March 2017	30 June 2016
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	172,372	171,479
Later than one year but not later than five years	463,065	628,978
Later than five years	-	-
	635,437	800,457

During the period, an amount of \$134,857 (2016: \$146,027) was charged to the profit and loss in-respect of its operating leases and is classified as an administration expense.

13 Events occurring after the reporting period

In May 2017, Wingara finalised the contract of sale with Horsham Rural City Council ("HRCC") to purchase the 20 Ha greenfield site adjacent to the railway terminal. By the terms of the contract, the Company committed to pay \$700,000 to HRCC within the next 12 months subject to the land being re-zoned as a 'Special Use Zone'.

No other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

Other information

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

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16	Related party transactions	40
17	Remuneration of auditors	41
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14 Legal parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	As at and for the nine months ended 31 March 2017 \$	As at and for the year ended 30 June 2016 \$
Assets and liabilities		
Current assets	4,468,149	124,521
Non-current assets	3,735,279	3,886,552
Total assets	8,203,429	4,011,073
Current liabilities	(924,759)	(172,102)
Non-current liabilities	(1,942,000)	-
Total liabilities	(2,866,759)	(172,102)
Shareholders' equity		
Issued capital	11,701,104	9,027,921
Retained earnings	(6,364,434)	(5,188,950)
Total equity / net assets	5,336,670	3,838,971
Loss for the period	1,180,736	5,188,950
Total comprehensive loss	1,180,736	5,188,950

(b) Guarantees entered into by the legal parent entity

The legal parent entity has not entered into any guarantees in the current or prior financial year in relation to debts of its subsidiaries.

(c) Contingent liabilities of the legal parent entity

The legal parent entity did not have any contingent liabilities as at 31 March 2017 or 30 June 2016. For information about guarantees given by the legal parent entity, please see above.

(d) Contractual commitments for the acquisition of property, plant or equipment

The legal parent entity had no capital commitments for property, plant and equipment as at 31 March 2017 or 30 June 16.

(e) Significant accounting policies of legal parent entity

The accounting policies of the legal parent entity are consistent with those of the consolidated entity as disclosed in note 19.

(f) Events occurring after the reporting period

In May 2017, the legal parent entity finalised the contract of sale with Horsham Rural City Council ("HRCC") to purchase the 20 Ha greenfield site adjacent to the railway terminal. By the terms of the contract, the legal parent entity committed to pay \$700,000 to HRCC within the next 12 months subject to the land being re-zoned as a 'Special Use Zone'.

14 Legal parent entity financial information (continued)

(f) Events occurring after the reporting period (continued)

No other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the legal parent entity, the results of those operations or the state of affairs of the legal parent entity or economic entity in subsequent financial periods.

15 Interests in controlled entities

The Group's principal subsidiaries at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group				Ownership interest held by non-controlling interests		Principal activities
		Ownership interest held by the group		Ownership interest held by non-controlling interests				
		2017 %	2016 %	2017 %	2016 %			
Elect Performance Group Pty Ltd ("Elect")	Australia	100.0	100.0	-	-	Product processor and marketer of agricultural products		
Superior Property Pty Ltd ("Superior")	Australia	100.0	100.0	-	-	Product processor and marketer of agricultural products		

16 Related party transactions

(a) Parent entities

Elect Performance Group Pty Ltd is the accounting parent entity. Wingara AG Limited is the legal parent entity.

(b) Subsidiaries

Interests in controlled entities is set out in note 15.

(c) Key management personnel compensation

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
	\$	\$
Short-term employee benefits	468,769	212,418
Post-employment benefits	42,205	18,762
	<u>510,974</u>	<u>231,180</u>

Detailed remuneration disclosures are provided in the remuneration report on pages 6 to 10.

(d) Transactions with other related parties

The following transactions occurred with related parties:

16 Related party transactions (continued)

(d) Transactions with other related parties (continued)

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
	\$	\$
Repayments of inventory facility	(1,070,537)	(2,145,001)
Proceeds of inventory facility	-	802,816
Allocation of pre-acquisition profits	-	(1,453,616)
Proceeds from issue of convertible notes	420,000	-
Office rental	(12,604)	-

(e) Loans to/from related parties

	31 March 2017	30 June 2016
	\$	\$
Inventory facility	-	1,070,537

The shareholder's loan is a non-interest bearing and repayable at call.

17 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(i) Audit and other assurance services

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
	\$	\$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	26,600	19,000
<i>Other assurance services</i>		
Due diligence services	32,000	440
Total remuneration for audit and other assurance services	58,600	19,440

(ii) Taxation services

<i>Taxation services</i>		
Tax compliance services	6,850	1,000
Total remuneration for taxation services	6,850	1,000

Total remuneration of William Buck	65,450	20,440
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18 Loss per share

(a) Reconciliation of loss used in calculating loss per share

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
	\$	\$
Loss attributable to the ordinary equity holders of the Company used in calculating basic & diluted loss per share:	176,244	4,271,633

(b) Weighted average number of shares used as the denominator

	For the nine months ended 31 March 2017	For the year ended 30 June 2016
	No. of shares	No. of shares
Weighted average number of ordinary shares used as the denominator in calculating basic & diluted loss per share	74,856,381	40,054,889

The Group is currently in a loss making position and thus the impact of any potential shares is concluded as anti-dilutive.

19 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group (or the "consolidated entity") consisting of Wingara AG Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Wingara AG Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Wingara AG Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost and accrual basis.

(iii) New and amended standards adopted by the group

The Group has adopted all standards and amendments applicable for first time to the annual reporting period commencing 1 July 2016. The adoption of these standards did not have any impact on reported amounts or disclosures in these financial statements.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2017 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

19 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
AASB 15 <i>Revenue from Contracts with Customers</i>	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.</p> <p>The standard permits either a full retrospective or a modified retrospective approach for the adoption.</p>	<p>Management has considered the recognition and measurement requirements of AASB 15 in conjunction with the existing contracts between the Group and its customers. Based on this assessment, management concluded that there would have been no difference to the recognition and measurement of revenue had AASB 15 been adopted and applied during the reporting period, as compared to the current accounting policy on revenue.</p>	<p>Must be applied for financial years commencing on or after 1 January 2018.</p>
AASB 16 <i>Leases</i>	<p>AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases.</p> <p>The accounting for lessors will not significantly change.</p>	<p>Management has considered the recognition and measurement requirements of AASB 16 in conjunction with the existing operating lease agreements between the Group and its suppliers. Based on this assessment, management concluded that there would have been a material impact to the financial statements had AASB 16 been adopted and applied during the period, as compared to the current accounting policy on leases. However as of the date of this report, management has not quantified the impact.</p>	<p>Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.</p>

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

19 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(v) Critical accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The following key estimates and judgements were made in these consolidated financial statements:

- *Goodwill and export license*: the consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and export license have suffered any impairment, in accordance with the accounting policy stated below. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.
- *Measurement of convertible notes*: the assessment of fair value on the underlying principal of the convertible notes require certain degree of assumptions on the likelihood of conversion exercised by management.

(b) Principles of consolidation

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 19(h)).

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The group continues to operate in one segment, acting as product processor and marketer of agricultural products in Australia. The segment details are therefore fully reflected in the body of the consolidated financial statements.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (\$), which is Wingara AG Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

19 Summary of significant accounting policies (continued)

(d) Foreign currency translation (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Wingara AG Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

19 Summary of significant accounting policies (continued)

(g) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 12). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(h) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

19 Summary of significant accounting policies (continued)

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

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

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 5(a) for further information about the group's accounting for trade receivables.

(l) Inventories

Hay is stated at the lower of cost and net realisable value. Cost comprise of costs incurred by the company to purchase hays, including inward freight costs. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Financial instruments

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs.

(ii) Classification and subsequent measurement

Financial assets are classified on initial recognition as those to be subsequently measured at fair value or amortised cost using the effective interest method or cost. Financial liabilities are classified as those to be subsequently measured at fair value or amortised cost.

(iii) Impairment

At the end of each reporting year, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

19 Summary of significant accounting policies (continued)

(m) Financial instruments (continued)

(iv) De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the consolidated entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(n) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The depreciation methods and periods used by the group are disclosed in note 6(a).

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 (note 19(i)).

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

(o) Intangible assets

(i) Goodwill

Goodwill is measured as described in note 19(h). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 2).

(ii) Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have an indefinite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. These assets with indefinite useful life are tested for impairment on an annual basis.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

19 Summary of significant accounting policies (continued)

(q) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(r) Convertible notes

AASB 139 requires that convertible notes are assessed based on their characteristics and that each component of the convertible note be separated and accounted for as required. In assessing convertible notes on issue, management consider whether there are any components with equity or derivative characteristics. Where a convertible note on which the number of shares to be issued varies based on a non financial variable, the conversion option does not meet the definition of a derivative and instead the convertible note, in its entirety is carried at amortised cost using the effective interest method as required by AASB 139.

(s) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(t) Provisions

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

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

(u) Employee benefits

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

(v) Contributed equity

Ordinary shares are classified as equity.

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

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

19 Summary of significant accounting policies (continued)

(w) Earnings per share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flows.

(y) Parent entity financial information

The financial information for the parent entity, Wingara AG Limited, disclosed in note 14 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries are accounted for at cost in the financial statements of Wingara AG Limited.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 50 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2017 and of its performance for the nine months ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 19(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of directors.



Gavin Xing
Director
Melbourne
31 May 2017

Wingara AG Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wingara AG Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 March 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine month period then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 31 March 2017 and of its financial performance for the nine month period ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

CHARTERED ACCOUNTANTS & ADVISORS

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

Key Audit Matters

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

ASSESSMENT OF CARRYING VALUE OF EXPORT LICENCE	
Area of focus Refer also to note 6(b) and 19(o)	How our audit addressed it
<p>As a result of the reverse acquisition that occurred in the previous financial year and the accounting parent being Elect Performance Group Pty Ltd, the entity has a significant amount of intangible assets by way of an export licence.</p> <p>Given the value, there is a risk that the entity may not trade in line with past performance and budgeted forecasts, resulting in the carrying amount of the export licence exceeding the recoverable amount and therefore requiring impairment.</p> <p>The recoverable amount of the cash generating unit (CGU's) has been calculated based on value-in-use. These recoverable amounts use discounted cash flow forecasts in which the Directors make judgements over certain key inputs, for example but not limited to revenue growth, discount rates applied, long term growth rates and inflation rates.</p> <p>Overall due to the high level of judgement involved, and the significant carrying amounts involved, we have determined that this is a key judgemental area that our audit concentrated on.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — a detailed evaluation of the CGU's budgeting procedures upon which the forecasts are based and testing the principles and integrity of the discounted future cash flow models — testing the accuracy of the calculation derived from the forecast model and we assessed key inputs in the calculations such as revenue growth, discount rates and working capital assumptions, by reference to the Board approved forecasts, data external to the group and our own views. — we reviewed the historical accuracy by comparing actual results with the original forecasts. <p>We also considered the adequacy of the Group's disclosures in relation to the impairment testing.</p>

INVENTORY	
Area of focus Refer also to notes 6(c) and 19(l)	How our audit addressed it
<p>The Group's inventory of \$1.2 million is significant to the financial statements.</p> <p>Inventory is required to be carried at the lower of its cost and net realisable value and determination on a first in first out basis.</p> <p>The valuation of inventory involves significant judgement by management given that the inventory is hay.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — A review of subsequent product sales to ensure inventory was valued at the lower of cost and net realisable value and the aging and condition of the hay. — We evaluated management's judgement and assumptions in determining the valuation of the hay at balance date — We assessed management's judgements in relation to the need for provisioning against the value of the hay. <p>We have also assessed the adequacy of disclosures in the notes to the financial report.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's report for the nine month period ended 31 March 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the nine month period ended 31 March 2017.

In our opinion, the Remuneration Report of Wingara AG Limited, for the nine month period ended 31 March 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



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



N. S. Benbow
Director

Melbourne, 31st day of May 2017

The shareholder information set out below was applicable as at 26 May 2017.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	No. of holders	Shares
1 - 1000	874	59,731
1,001 - 5,000	42	113,221
5,001 - 10,000	86	799,591
10,001 - 100,000	153	6,717,452
100,001 and over	64	69,856,583
	1,219	77,546,578

B. Equity security holders

Twenty largest quoted equity security holders

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

Name	Ordinary shares	
	Number held	Percentage of issued shares (%)
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,667,590	17.63
MS KELLIE ANNE BARKER	10,000,000	12.90
MR GAVIN XING	10,000,000	12.90
AET SFS PTY LTD <NEOC AC>	8,172,121	10.54
AUSNOM PTY LTD <J & K CHEGS SHARE A/C>	2,000,000	2.58
MR GRAHAM JOHN BAILEY	2,000,000	2.58
JB ADVISORY PTY LTD <CALLANAN FAMILY A/C>	2,000,000	2.58
MR ERIC JIANG	2,000,000	2.58
ANACACIA PTY LTD <WATTLE FUND A/C>	1,653,008	2.13
ADDERSTONE HOLDINGS PTY LTD <NC SHOEBERT FAMILY A/C>	1,520,000	1.96
DAVID GAZAL + JACLYN GAZAL <DAVID GAZAL FAMILY A/C>	1,500,000	1.93
MR GRAHAM JOHN BAILEY + MRS ANNETTE MAREE BAILEY <BAILEY S/F A/C>	1,133,333	1.46
YUEN SOON JUENG + JOEN HING JENNY <CW & CA SUPER FUND A/C>	1,000,000	1.29
J P MORGAN NOMINEES AUSTRALIA LIMITED	890,834	1.15
DM CAPITAL MANAGEMENT PTY LTD <MCEVOY FAMILY A/C>	850,000	1.10
WINDWARD PARTNERS PTY LTD <WINDWARD PARTNERS UNIT A/C>	700,000	0.90
AUST EXECUTOR TRUSTEES LTD <CYAN C3G FUND>	618,355	0.80
LUIK HOLDINGS PTY LTD <JEFFREY O'DONNELL FAMILY A/C>	566,667	0.73
AVZATH PTY LTD <DMCD DIAMANTE SUPER FUND A/C>	550,000	0.71
CRK HOLDINGS PTY LTD	545,000	0.70
	61,366,908	79.15

C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage (%)
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,667,590	17.63%
MS KELLIE ANNE BARKER	10,000,000	12.90%
MR GAVIN XING	10,000,000	12.90%
NAOS ASSET MANAGEMENT LIMITED	8,591,351	11.78%
	42,258,941	55.21%

D. Voting rights

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

E. Shareholder enquiries

Shareholders with enquiries about their shareholdings should contact the share registry:

Share and debenture register

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth Western Australia 6000
1300 55 70 10 (within Australia) & +61 8 9323 2000 (overseas)
Website: www.computershare.com.au

F. Change of address, change of name, consolidation of shareholdings

Shareholders should contact the Share Registry to obtain details of the procedure required for any of these changes.

G. Annual report

Shareholders do not automatically receive a hard copy of the Company's Annual Report unless they notify the Share Registry in writing. An electronic copy of the Annual Report can be viewed on the Company's website.

H. Tax file numbers

It is important that Australian resident Shareholders, including children, have their tax file number or exemption details noted by the Share Registry.

I. CHESS (Clearing House Electronic Subregister System)

Shareholders wishing to move to uncertified holdings under the Australian Securities Exchange CHESS system should contact their stockbroker.

J. Uncertified share register

Shareholding statements are issued at the end of each month that there is a transaction that alters the balance of an individual/company's holding.

K. Listing rule 4.10.19 disclosure

For the purpose of ASX Listing Rule 4.10.19, the Board confirms that during the period from reinstatement on 9 February 2016 to 31 March 2017 the Company used its cash and assets readily convertible to cash in a manner consistent with its stated business objectives.