ProTen

ProTen Limited

(and Controlled Entities)

ABN 80 109 715 488

Consolidated Financial Statements

Year ended 30 June 2018

ProTen Limited (and Controlled Entities)

ABN 80 109 715 488

Year ended 30 June 2018

CONTENTS

Directors' Report (continued)

Year ended 30 June 2018

The directors of ProTen Limited present their report on the consolidated entity (the 'Group'), consisting of ProTen Limited (the 'Company') and the entities it controlled during the year ended 30 June 2018.

1. General Information

(a) Directors

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

Names

John Russell Signal (Chairman)
Maxwell Keith Bryant
Geoffrey Keith McWilliam
Peter Colin Roberts
Andrew Hollis Stevens
Daniel Keith Bryant

(b) Principal activities

The principal activities of the Group during the financial year ended 30 June 2018 were the development and operation of broiler chicken production farms in Australia.

No significant change in the nature of these activities occurred during the current financial year.

2. Business Review

(a) Dividends paid or declared

Dividends paid or declared since the start of the financial year are as follows:

Dividends in the amount of $10,230,096 have been paid during the year ended 30 June 2018 (2017: $7,288,552) representing 8.50 cents per share. (2017: 6.25 cents per share)

(b) Operating results

The total comprehensive income of the Group for the year ended 30 June 2018, after providing for income tax, amounted to $16,048,897 (2017: $18,277,104).

3. Other Items

(a) Events after reporting date

On 22 August 2018 the Company entered into a Scheme Implementation Deed ("Deed") with a wholly owned subsidiary of First State Super. Under the Deed, First State Super agreed to offer ProTen shareholders A$1.65 per share for 100% of the outstanding shares. The Offer is subject to a number of conditions including a shareholder vote. If successful the offer is expected to complete in November 2018.

3. Other Items (continued)

(a) Events after reporting date

On 5 September 2018 the Group completed the acquisition of four farms in South Australia for a total of $33,500,000 plus transaction costs of approximately A$1.5 million. The acquisition was funded by a new CBA loan Facility. Control of the farms was assumed progressively from 1 August 2018 to 5 September 2018. The acquisition will generate approximately $6,500,000 of additional revenue for the Group on a full year basis.

Between 1 July 2018 and 31 August 2018, a total of 4,050,091 warrants were exercised for a total exercise price of $2,977,424.

Other than the above no matters or circumstances have arisen subsequent to the end of the financial year ended on 30 June 2018 which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

(b) Significant changes in the state of affairs

During the year, the fair value of investment property increased to $280,743,474 (2017 $264,762,318) representing the continued investment by the Group in broiler farm assets and changes to valuations of individual properties. Refer to note 8 for further details.

For the year ended 30 June 2018, 1,903,814 warrants were exercised to acquire ordinary shares for a total exercise price of $1,399,589..

There were no other significant changes to the state of affairs of the Group during the year ended 30 June 2018.

(c) Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

(d) Meetings of directors

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

	Directors' Meetings		Committee Meetings: Audit Committee		Committee Meetings: Remuneration Committee	
	Number of meetings held	Number attended	Number of meetings held	Number attended	Number of meetings held	Number attended
John Russell Signal (Chairman)	12	12	-	-	1	1
Maxwell Keith Bryant	12	12	-	-	-	-
Geoffrey Keith McWilliam	12	12	1	1	1	1
Peter Colin Roberts	12	9	1	1	-	-
Andrew Hollis Stevens	12	12	-	-	1	1
Daniel Keith Bryant	12	12	-	-	-	-

(e) Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 for the year ended 30 June 2018 is set out on page 8.

3. Other Items (continued)

(f) Environmental regulations

The Group's operations are subject to significant environmental regulation under the laws of the Commonwealth of Australia and the States and Territories of Australia. Details of the Group's operations in relation to environmental regulations are as follows:

- The farm operations in NSW are subject to requirements of the Environmental Protection Licences (EPLs) that are reviewed annually. The farm operations in NSW are up to date on compliance with Environment Protection Authority (EPA) requirements and lodgement of annual compliance returns.
- As part of the Group's internal "Environmental Management Plan" the Group undertakes quarterly environmental inspections of Murrami Farm. Inspections are done by an external consultant "SLR Consulting" (SLR). Annual Environmental Compliance reports are prepared for Murrami Farm by SLR and submitted to Tamworth District Council and the EPA.
- Henderson farm in WA is also subject to an annual environmental compliance audit which is prepared by SLR and submitted to the Serpentine Jarrahdale Shire Council.
- All of the Group's farms are subject to State odour emission guidelines. The EPA receives sporadic odour complaints despite management best practice. Farm management works with the EPA in addressing any odour complaints and ensuring that complaints remain infrequent.

4. Information on Directors

John Russell Signal	Non-executive Director and Chairman of the Board of Directors
Qualifications	Advanced NZ Trade Certificate in Farming, Kellogg Scholar, 1994 Certificate in Company Direction, 2002 (Member of NZ Institute of Directors, NZIOD) Accredited Company Director in New Zealand, 2010 Admitted a Fellow of the NZ Institute of Directors (NZIOD), 2012
Experience	Agriculture, Primary industry and Investment. John's career has been as an investor and operator of Agri-business enterprises. He is a director/shareholder in Ovation NZ Limited, Progressive Leathers Ltd, Classic Sheepskins, Biophive Ltd, Alpine Deer NZ Ltd, Oceania Meat Processors Ltd, Pasture Pet Foods Ltd Waikawa Limited and Venison Packers Feilding Limited. Collectively these businesses process a wide variety of species and products for international export into global markets. John has also been involved in the development of businesses outside the meat processing industry, including industrial property development, pastoral farming and the health sector. John is also a Chairman of several community enterprises including, Feilding Health Care Ltd and Sprout Agribusiness Accelerator and is a former trustee of Manfield Community Park.
Special Responsibilities	Chair of the Remuneration Committee.

4. Information on Directors (continued)

Maxwell Keith Bryant	Non-executive Director
Experience	Max has been involved with the broiler chicken industry for over 30 years and spent the last 20 years managing and being a Director of various meat chicken companies. He has been the principal behind the establishment of the farms which now comprise ProTen. He has been involved in the establishment of quality systems with Tegel Foods and the utilisation of the latest ventilation systems and building technology.
Special Responsibilities	N/A
Geoffrey Keith McWilliam	Non-executive Director
Qualifications	Bachelor of Engineering (University of NSW)
Experience	Geoffrey has more than 48 years' experience in the property industry including 10 years as CEO of the Commonwealth Bank of Australia's Property Investment Division, and 23 years with Lend Lease Corporation. He is Chairman of Lend Lease Real Estate Investment Limited and a non-executive director of Lend Lease Asian Retails Investment Fund Limited, The Gandel Group and The Dusseldorp Forum. He is a Fellow of the Australian Property Institute.
Special Responsibilities	Member of Remuneration and Audit Committees.
Peter Colin Roberts	Non-executive Director
Qualifications	Peter holds a Bachelor of Finance & Administration from the University of New England (UNE); is a fellow of the Institute of Chartered Accountants (CAANZ); a member of the Australian Institute of Company Directors (AICD), and a Graduate Diploma in Applied Finance and Investment (Securities Institute of Australia).
Experience	Peter is currently Managing Director of PcRoberts Consulting services. Previously, Peter was Chief Financial and Operations Officer of the Barangaroo Delivery Authority. Peter has held senior executive roles as Chief Financial Officer of Charter Hall Group, Dexus Property Group, Colonial First State Property and Property Fund Manager with Lend Lease Real Estate Investments. He has in excess of 30 years' experience in accounting, tax, finance and funds management.
Special Responsibilities	Chair of the Audit Committee.

4. Information on Directors (continued)

Andrew Hollis Stevens	Non-executive Director
Experience	Andrew spent 20 years in senior executive roles at Tegel Foods culminating in becoming CEO in 2007. Andrew was instrumental in the sale of Tegel to private equity ownership on two occasions to maximise value to shareholders. After leaving Tegel in 2013, Andrew has taken up several directorships of private companies.
Special Responsibilities	Member of the Remuneration Committee
Daniel Keith Bryant	Managing Director
Qualifications	Bachelor of Agricultural Economics, 1997, Massey University.
Experience	Daniel has 21 years' experience in the poultry meat industry and 11 years as ProTen CEO (and then MD). After spending 5 years with Tegel Foods (NZ) in planning, logistics and processing management roles he commenced with ProTen in 2002. Daniel has been instrumental in the strategic growth of ProTen, from its origin in New Zealand to becoming the market leading developer and operator of farms in Australia.
Special Responsibilities	N/A
James Wentworth	Chief Financial Officer and Company Secretary (appointed effective 18 September 2017)
Qualifications	Bachelor of Commerce, Bachelor of Law (Hons) (University of Queensland), Certified Practicing Accountant (CPA).
Experience	James has over 22 years of experience in finance in investment banking, private equity and CFO roles. Prior to joining ProTen, James spent 7 years as CFO of ASX- Listed Finders Resources as it went through feasibility, financing, construction and ultimately operation of its Wetar Copper Project in Indonesia. Before that James held roles with CHAMP Ventures, Goldman Sachs, Lehman Brothers and Macquarie Bank in Sydney, New York and Wellington.
Special Responsibilities	N/A

5. Options, Warrants and Equity entitlements

On 12 November 2015 as part of the private placement completed 9 June 2015, warrants were issued at 0.236 warrants for each new ordinary share subscribed for and can be exercised to acquire an ordinary share at the subscriber's option at a price of AU$0.73515. The total number of unexercised warrants at balance date amounts to 4,516,358. Refer to Note 13 for further information.

During the year ProTen Limited issued entitlements over ordinary shares of the company to certain executive directors and eligible employees. The following entitlements remained outstanding as at 30 June 2018.

Grant date	Final vesting date	Number of ordinary shares
19 June 2015	30 June 2019	400,000
1 July 2016	1 July 2019	46,980
1 July 2017	1 July 2020	95,664
1 July 2017	1 July 2018	144,000

Further details of the entitlements granted during the year are disclosed in Note 24.

Other than above or as disclosed in Notes 13 and 24, no options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year ended 30 June 2018 and there were no options outstanding at the date of this report.

6. Proceedings on Behalf of Company

No person has applied for leave of Court under section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

7. Indemnifying Officers or Auditors

The Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The contract of insurance prohibits disclosure of the nature of liability and the amount of premium. No indemnity has been given or offered at 30 June 2018 or since the end of the financial year to any auditor of the Group.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Director: ....
John Russell Signal

Director: ....
Peter Colin Roberts

Dated 07 September 2018

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DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF PROTEN LIMITED

As lead auditor of ProTen Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Proten Limited and the entities it controlled during the period.

Ian Hooper
Partner

BDO East Coast Partnership

Sydney, 7 September 2018

ProTen Limited (and Controlled Entities)

ABN 80 109 715 488

Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue	2	49,847,502	40,251,939
Direct costs		(18,746,007)	(15,757,976)
Gross profit		31,101,495	24,493,963
Administrative expenses		(7,245,748)	(6,764,288)
Finance costs	3	(5,131,920)	(4,283,571)
Gain on disposal of fixed asset		61,143	16,677
Profit before fair value gains on Derivative financial instruments and investment property		18,784,971	13,462,781
Fair value (loss) / gain on derivative financial instruments	10	(1,039,493)	1,741,384
Fair value gain on investment property	8	4,798,958	10,908,554
Profit before tax		22,544,436	26,112,719
Income tax expense	4 (a)	(6,495,539)	(7,835,615)
Profit after tax		16,048,897	18,277,104
Other comprehensive income for the year		-	-
Total comprehensive income for the year		16,048,897	18,277,104

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

ProTen Limited (and Controlled Entities)

ABN 80 109 715 488

Statement of Financial Position

As at 30 June 2018

	Note	Consolidated 2018 $	2017 $
ASSETS			
Current assets			
Cash and cash equivalents		943,488	621,132
Trade and other receivables	5	2,704,475	2,385,651
Inventory		691,636	721,034
Other current assets	7	3,229,817	1,129,741
Total current assets		7,569,416	4,857,558
Non-current assets			
Investment property	8	280,743,474	264,762,318
Plant and equipment	9	2,921,979	2,217,826
Derivatives Financial Instrument	10	701,892	1,741,384
Deferred tax assets	4(c)	1,699,356	2,225,733
Total non-current assets		286,066,701	270,947,261
TOTAL ASSETS		293,636,117	275,804,819
LIABILITIES			
Current liabilities			
Trade and other payables	11	6,034,356	6,688,649
Financial Liabilities	12	4,851,165	4,756,979
Current tax liabilities	4(d)	422,411	464,402
Provisions		523,919	550,579
Total current liabilities		11,831,851	12,460,609
Non-current liabilities			
Financial Liabilities	12	122,758,393	117,278,236
Deferred tax liabilities	4(d)	40,339,859	34,923,615
Provisions		166,876	66,365
Total non-current liabilities		163,265,128	152,268,216
TOTAL LIABILITIES		175,096,979	164,728,825
NET ASSETS		118,539,138	111,075,993
EQUITY			
Issued capital	13	65,350,741	63,642,761
Reserves	14	731,456	1,636,141
Retained earnings		52,456,941	45,797,091
TOTAL EQUITY		118,539,138	111,075,993

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

ProTen Limited (and Controlled Entities)

ABN 80 109 715 488

Statements of Changes in Equity

Year ended 30 June 2018

2018 Consolidated	**Note**	**Issued Capital**	**Retained Earnings**	**Foreign Currency Translation Reserve**	**Share based payment Reserve**	**Total**
		$	**$**	**$**	**$**	**$**
Balance at 1 July 2017		63,642,761	45,797,091	841,048	795,094	111,075,994
Profit for the year		-	16,048,897	-	-	16,048,897
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income		-	16,048,897	-	-	16,048,897
Transactions with owners, recorded directly in equity						
Contributions of equity, net of transaction costs	13	1,399,589	-	-	-	1,399,589
Share rights exercised	13	308,391	-	-	(308,391)	-
Dividends paid or provided	16	-	(10,230,096)	-	-	(10,230,096)
Re-classification of reserve	14	-	841,048	(841,048)	-	-
Share based payment expense (net of tax)	24	-	-	-	244,754	244,754
Balance at 30 June 2018		65,350,741	52,456,941	-	731,456	118,539,138

2017 Consolidated	**Note**	**Issued Capital**	**Retained Earnings**	**Foreign Currency Translation Reserve**	**Share based payment Reserve**	**Total**
		$	**$**	**$**	**$**	**$**
Balance at 1 July 2016		59,079,727	34,808,539	841,048	967,372	95,696,686
Profit for the year		-	18,277,104	-	-	18,277,104
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income		-	18,277,104	-	-	18,277,104
Transactions with owners, recorded directly in equity						
Contributions of equity, net of transaction costs		3,913,034	-	-	-	3,913,034
Share rights exercised		650,000	-	-	(650,000)	-
Dividends paid or provided for		-	(7,288,552)	-	-	(7,288,552)
Share based payment expense (net of tax)	24	-	-	-	477,721	477,721
Balance at 30 June 2017		63,642,761	45,797,091	841,048	795,094	111,075,994

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

ProTen Limited (and Controlled Entities)

ABN 80 109 715 488

Statement of Cash Flows

Year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Cash from operating activities:			
Receipts from customers and other income (incl. of GST)		53,565,338	45,725,700
Payments to suppliers and employees (incl. of GST)		(30,482,347)	(25,022,892)
Cash generated from operations		23,082,991	20,702,808
Interest paid		(5,131,920)	(3,419,894)
Income tax paid		(788,096)	(219,976)
Net cash from operating activities	18	17,162,976	17,062,938
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		135,436	20,032
Acquisition of investment property		(11,086,275)	(53,065,764)
Deposit paid for acquisition of new farms		(1,151,985)	-
Acquisition of plant and equipment		(602,856)	(375,763)
Government grants received for investment property		-	500,000
Borrowing costs paid and capitalised in investment property		(139,923)	(955,093)
Net cash used in investing activities		(12,845,603)	(53,876,588)
Cash flows from financing activities:			
Proceeds from issue of shares		1,399,589	3,913,034
Proceeds from borrowings		10,316,000	50,129,376
Repayment of borrowings		(5,262,511)	(9,410,064)
Finance lease capital repayments		(218,000)	(139,459)
Dividends paid		(10,230,096)	(7,288,552)
Net cash (used in) from financing activities		(3,995,017)	37,204,335
Net increase in cash held		322,356	390,685
Cash and cash equivalents at the beginning of the financial year		621,132	230,447
Cash and cash equivalents at the end of the financial year		943,488	621,132

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

1 Statement of Significant Accounting Policies

(a) Corporate Information

The financial statements of ProTen Limited for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 07 September 2018 and cover ProTen Limited and the entities it controlled as at and during the year ended 30 June 2018.

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

ProTen Limited is a company limited by shares incorporated and domiciled in Australia. The Company is an unlisted for-profit public company.

(b) Basis of Preparation

Reporting basis and conventions

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations), of the Australian Accounting Standards Board (as appropriate for for-profit oriented entities) and the *Corporations Act 2001*. Compliance with Australian International Financial Reporting Standards (AIFRS) ensures that the consolidated financial statements and notes comply with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on a historical cost basis, except for investment properties being land and buildings, plant and equipment integral to farming properties and derivative financial instruments which are carried at fair value (refer Note 8 and 10). The following significant accounting policies have been adopted in the preparation and presentation of the consolidated financial statements.

Functional and presentation currency

The functional and presentation currency of ProTen Limited and its Australian subsidiaries is the Australian dollar.

(c) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent is included in Note 22.

(d) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

1 Statement of Significant Accounting Policies (continued)

(e) Principles of Consolidation

The consolidated financial statements comprise the financial statements of ProTen Limited and its subsidiaries at 30 June 2018 (the 'Group'). Subsidiaries are all those 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 de-consolidated from the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions, have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Subsidiaries are accounted for in the parent entity financial statements at cost. A list of subsidiary entities is contained in Note 16 to the financial statements. All subsidiary entities have a 30 June year end. The Group had no investments in associates, joint venture operations or joint venture entities during the current or prior reporting periods.

(f) Going Concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities by the entities in the Group and the realisation of assets and settlement of liabilities in the ordinary course of business.

2 Revenue

	Consolidated	
	2018	**2017**
	$	**$**
Revenue from grower contracts	49,401,840	40,193,937
Interest received	3,443	2,151
Sundry income	441,200	55,851
Foreign currency gain(loss)	1,019	-
Total revenue	49,847,502	40,251,939

Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Broiler farms property contractual revenue

Revenue from broiler farms property is recognised on an accruals basis in accordance with the contractual agreements.

Rendering of services

Revenue from the rendering of services such as broiler income and management fees is recognised upon the rendering of the service to the customers in accordance with the agreements.

Interest

Interest revenue is recognised as interest accrues using the effective interest method

3 Profit Before Income Tax

The following significant expense items are relevant to explaining the financial performance:

	Consolidated	
	2018	**2017**
	$	**$**
Depreciation of fixed assets	607,264	448,419
Employee benefits expense	9,933,953	8,894,100
Share-based payments expense	437,939	399,133
Superannuation	690,217	579,524
Interest and break costs	5,131,920	4,283,571
Operating leases	135,318	122,794

3 Profit Before Income Tax (Continued)

Borrowing Costs

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

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the year in which they are incurred.

4 Income Tax Expense

(a) The components of tax expense comprise:

	Consolidated	
	2018	**2017**
	$	**$**
Current tax expense	422,411	464,401
Deferred tax expense	6,073,128	7,371,213
Under provision in prior years	-	-
Total	6,495,539	7,835,615

4 Income Tax Expense (continued)

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	Consolidated	
	2018	2017
	$	$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2017: 30%)		
Profit before tax	22,544,436	26,112,719
Tax at the statutory rate at 30%	6,763,331	7,833,816
Add tax effect of:		
- Other Permanent differences	(66,792)	1,799
- Permanent differences from prior years	(201,000)	-
Income tax expense	6,495,539	7,835,615

Amounts charged to equity during the year in relation to deferred tax amounted to $193,186 (2017: $76,888).

(c) Deferred tax assets

	Consolidated	
	2018	2017
	$	$
NON-CURRENT		
Deferred tax assets comprise:		
Accruals	295,146	235,351
Employee entitlements provisions	426,676	430,023
s 40-880 deduction	384,743	577,736
s 25-25 deduction	42,412	(8,237)
Tax losses	550,379	990,860
	1,699,356	2,225,733

4 Income Tax Expense (continued)

(d) Deferred tax liabilities

	Consolidated	
	2018	**2017**
	$	**$**
CURRENT		
Provision for income tax	422,411	464,402
NON-CURRENT		
Deferred tax liability comprises:		
Inventory	137,887	144,700
Derivative financial instruments	210,567	522,415
Investment property, plant and equipment	39,991,404	34,256,500
	40,339,859	34,923,615

The deferred tax liability amounting to $40.3m reflects the tax effected difference between the carrying value of investment properties ($280.7m) for financial reporting purposes and the carrying value for tax purposes ($149.4m).

Critical accounting estimate – Recovery of Deferred tax

Deferred tax assets are recognised for deductible temporary differences and carry forward losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Included in carry forward losses is an amount of pre-tax consolidation losses, the use of which is dependent on an available fraction. The available fraction can reduce in circumstances such as a capital injection which would result in an extension to the period over which the asset is expected to be utilised.

The deferred tax assets and liabilities are recorded at 30% being the rate expected to apply when the assets are recovered or the liabilities settled.

Income tax - recognition and measurement

The income tax expense for the year is the tax on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction at balance date.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

4 Income Tax Expense (continued)

Tax consolidation

ProTen Limited and its wholly owned Australian subsidiaries have implemented the tax consolidation legislation from 1 April 2008. ProTen Limited is the head entity in the tax consolidated group. The stand-alone taxpayer within a group approach has been used to allocate current income tax expense and deferred tax balances to wholly owned subsidiaries that form part of the tax consolidated group. ProTen Limited has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated group via intercompany receivables and payables because a tax funding arrangement has been in place since 1 April 2008.

The amounts receivable/payable under tax funding arrangements are due upon notification by the head entity, which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiaries in order for the head entity to be able to pay tax instalments. These amounts are recognised as current intercompany receivables or payables.

5 Trade and Other Receivables

	Consolidated	
	2018	**2017**
	$	**$**
CURRENT		
Trade receivables	2,704,475	2,385,651
Other receivables	-	-
	2,704,475	2,385,651

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts (if appropriate) and have repayment terms between 0 and 60 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 180 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

The Group considers accounts receivable as at the end of current reporting period to be fully collectible; accordingly, no allowance for doubtful accounts has been made as at 30 June 2018.

6 Age Analysis of Trade Receivables

Age analysis of trade receivables that are neither past due nor impaired at reporting date

	Consolidated	
	2018	2017
	$	$
Current		
0-30 days	2,704,475	2,385,651
31-60 days	-	-
61+ days	-	-
Total	2,704,475	2,385,651

Analysis of allowance account

There is no allowance for doubtful receivables carried in the financial statements at 30 June 2018 or 30 June 2017. The Group trades with two companies being Bartter Enterprises Pty Ltd (Bartter) and Baiada Poultry Pty Ltd (Baiada) to which it contracts for the growing of broiler chickens.

The gross revenue from each company as a percentage of the total group revenue was:

	2018	2017
Bartter Enterprises Pty Ltd	81%	81%
Baiada Poultry Pty Ltd	19%	19%

In July 2009, Baiada acquired 100% of Bartter. Prior to July 2009, Baiada and Bartter were independent operators. Subsequent to July 2009, Baiada and Bartter merged and became the sole customer of the Group.

ProTen's growing contracts are continuous and subject to annual fee reviews linked to operating costs and the CPI. The growing contracts are for a period of 15 years from date of commencement and are renewable, subject to renegotiation, at the end of the term. At reporting date the periods to renewal date varied between 5 and 15 years. The trade receivables with its customer have never been past due or impaired. For these reasons the Directors consider that they are justified in making no allowance for doubtful receivables.

7 Other Current Assets

	Consolidated	
CURRENT	2018	2017
	$	$
Accrued income	1,949,859	1,093,079
Deposit paid for acquisition of new farm	1,151,985	-
Other	127,973	36,662
	3,229,817	1,129,741

This balance comprises the deposit and costs associated with a Call option to purchase four farms in South Australia. On 22 June 2018 ProTen paid $1m for the Call option which entitled ProTen to purchase the farms for $33.5 million less the price of the option. The Option had an exercise period of 1 July 2018 to 30 September 2018 and was exercised on 16 August 2018. Further details of the purchase of these farms is contained in note 26 Subsequent Events.

8 Investment Property

	Consolidated	
	2018	**2017**
	$	**$**
INVESTMENT PROPERTY		
Balance at beginning of year	264,762,318	201,181,689
Development costs – completed assets	10,794,308	37,013,539
Net fair value adjustments	4,798,958	10,908,554
Additions to assets in the course of construction	623,474	17,007,319
Transfer from Investment Property to PPE	(235,584)	(848,783)
Less: amounts received as government grants	-	(500,000)
Balance at end of year	280,743,474	264,762,318

Property values are directors' valuations based on independent valuation assessments provided by CBRE Australia (2017: CBRE Australia) who are specialist Poultry Farm and Agribusiness Valuers. Further information on the basis of valuation is included in Note 21.

A caveat outlining a 'first-right-of-refusal' is recorded for the various Tamworth properties in favour of Rostry Pty Ltd (Baiada) which expires no earlier than 2019. At reporting date, these investment properties were valued at $24,070,000 (2017: $30,450,000).

	2018	**2017**
	$	**$**
Land and Buildings at valuation	280,120,000	247,755,000
Land and Buildings in the course of construction - at cost	623,474	17,007,318
	280,743,474	264,762,318

Additions to assets in the course of construction in the current financial year relates to costs incurred in relation to the redevelopment of the Bective farm.

Recognition and measurement

Investment properties principally comprise freehold land and buildings held for long-term income and capital appreciation that are not deemed to be occupied by the Group. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value, based on similar assets, location and market conditions. Movements in fair value are recognised directly in profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment is used as deemed cost for subsequent accounting. Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

8 Investment Property (continued)

The cost of investment property constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. 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 asset will be realised.

Critical accounting estimate – Fair value of investment property

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

Investment property comprises land, buildings, plant and equipment fixed to the individual farm property assets and is carried at fair value determined annually by independent valuation as adopted by the directors at reporting date. It is held to generate income from chicken integrators on long term (typically 15 year) operating contract terms. In arriving at the valuation, the independent valuer will consider at least three valuation methods, their own knowledge and valuation expertise and externally verifiable data.

Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to investment properties are credited to development costs and assets in the course of construction when received and all conditions of the grant have been met.

9 Plant and Equipment

Non-fixed plant and equipment remain under *AASB 116 Property, Plant and Equipment* and are stated at depreciated historical cost, which comprises original cost and any accumulated depreciation to 30 June 2018. New assets under construction are recorded in property, plant and equipment at cost including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less, where applicable, any accumulated depreciation and impairment losses.

The depreciable amount of fixed assets including capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

Depreciation rates - Class of fixed asset	Estimated Useful life
Motor Vehicles	3 - 5 years
Computer Equipment and Software	3 - 5 years
Office Furniture and Equipment	5 - 10 years
Other Equipment	5 - 15 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in profit or loss in the year that the item is disposed of.

9 Plant and Equipment (continued)

Movements in carrying amounts of plant and equipment

Consolidated

	Motor Vehicles	Computer Equipment	Office Furniture	Other Equipment	Total
	$	$	$	$	$
Year ended on 30 June 2018					
Balance at beginning of year	1,027,485	138,394	195,197	856,751	2,217,826
Additions	260,665	16,037	3,205	826,219	1,106,126
Disposals	(9,922)	-	-	(20,371)	(30,293)
Depreciation expense	(201,010)	(72,442)	(31,348)	(302,464)	(607,264)
Re-classification of assets	(574,431)	6,250	(104,125)	672,306	-
Transfer from Investment Property	-	11,467	21,584	202,533	235,584
Carrying amount at end of year	502,787	99,706	84,513	2,234,973	2,921,979
Year ended on 30 June 2017					
Balance at beginning of year	391,907	200,908	96,432	755,811	1,445,058
Additions	72,663	24,991	22,832	255,423	375,909
Disposals	(3,505)	-	-	-	(3,505)
Depreciation expense	(178,238)	(87,505)	(28,192)	(154,484)	(448,419)
Transfer from Investment Property	744,658	-	104,125	-	848,783
Carrying amount at end of year	1,027,485	138,394	195,197	856,751	2,217,826

During the year, $738,854 of Property Plant & Equipment was funded by finance lease and consequently is not reported as an investing cashflow. Total purchases of Property Plant and Equipment for the purposes of the Statement of Cashflows was $602,856.

10 Derivative financial instruments

	Consolidated 2018 $	2017 $
NON CURRENT		
Derivative financial instruments – Interest rate swaps	701,892	1,741,384
	701,892	1,741,384

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

11 Trade and Other Payables

	Consolidated 2018 $	2017 $
CURRENT		
Unsecured liabilities		
Trade creditors	2,957,834	3,810,690
Other creditors and accruals	3,076,522	2,877,959
	6,034,356	6,688,649

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 7 - 60 days payment terms. Payables to related parties in the books of the parent entity are carried at the principal amount, which approximates fair value due to the short term nature of these liabilities.

12 Financial Liabilities

		Consolidated 2018 $	2017 $
CURRENT			
Secured liabilities:			
Bank overdraft	(a)	-	-
Finance lease liabilities	(b)	201,165	106,979
Bank loans	(c)	4,650,000	4,650,000
Total current financial liabilities		4,851,165	4,756,979
NON-CURRENT			
Secured liabilities:			
Finance lease liabilities	(b)	547,271	120,603
Bank loans	(c)	122,211,122	117,157,633
Total non-current financial liabilities		122,758,393	117,278,236

12 Financial Liabilities (continued)

Asset pledged as security

The bank loans and overdraft are secured by first ranking mortgages over all land owned by ProTen Limited and the Group together with a floating charge over all assets of ProTen Limited and the Group. These are also interlocking guarantees between each company within the Group. It is expected that all bank loans will be renegotiated for further periods when the current terms expire.

(a) Bank overdrafts

Bank overdrafts are repayable on demand and currently bear interest at a rate of 6.24% (2017: 5.59%). The bank overdraft facility is $1,250,000, of which $0 was utilised as at 30 June 2018 (2017: $0)

(b) Finance Lease liabilities

The finance lease obligations are secured by the assets being financed. The average interest rate is 4.58% (2017: 3.62%).

(c) Bank loans maturity

There are bank loans currently outstanding with the following maturities:

Consolidated – 2018	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Remaining contractual maturities
	$'000	$'000	$'000	$'000
Facility A, repayable 30 Jul 2021*	1,550,000	1,550,000	14,574,994	17,674,994
Facility B, repayable 06 Dec 2019	1,550,000	16,124,994	-	17,674,994
Facility C, repayable 06 Dec 2020	1,550,000	1,550,000	14,574,994	17,674,994
Facility D, repayable 30 Jul 2021*	-	-	15,000,000	15,000,000
Facility E, repayable 06 Dec 2019	-	5,000,000	-	5,000,000
Facility F, repayable 06 Dec 2020	-	12,170,000	-	12,170,000
Facility G, repayable 06 Dec 2021	-	-	29,000,000	29,000,000
Facility H, repayable 06 Dec 2019	-	7,666,140	-	7,666,140
Facility I, repayable 30 Jul 2021*	-	-	5,000,000	5,000,000
	4,650,000	44,061,134	78,149,988	126,861,122

* In June 2018, the Group secured a new facility (L) with Commonwealth Bank to consolidate Facilities A, D and I. Facilities A, D and I were consolidated into Facility L on 30 July 2018. The maturities in the above table reflect those of Facility L.

Facilities A - C represent general finance loans. Facilities D - G represent funding of $61,170,000 used for the construction of the property development at Narrandera. Facilities H and I represent cash advance facilities for general business requirements and solar panels.

Bank Facilities A - C are repayable in equal quarterly instalments until the maturity date with final instalment due on the maturity date. Facilities D – I are repayable on maturity.

Bank facility H has an unused balance of $13.3m as at 30 June 2018.

12 Financial Liabilities (continued)

The Group has also secured a new facility M with Commonwealth Bank to fund the acquisition of the South Australian Farms. The facility was fully drawn to $35 million on 5 September 2018 on settlement of the acquisition.

Bank facilities bear interest at an average rate of 4.0% (2017: 4.0%) which moves with movements in Australian Bank Bill rates. The interest rate is approximately 79% (2017: 82%) fixed and approximately 21% (2017: 18%) floating at reporting date.

Recognition and measurement

Borrowings are recorded at fair value on initial recognition and measured subsequently at amortised cost. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

13 Issued Capital

	Consolidated	
	2018 $	2017 $
Ordinary shares 2018: 121,940,870 (2017: 119,690,395) fully paid	65,350,741	63,642,761
	65,350,741	63,642,761

Details	Date	No of shares	$ of issued shares
Opening balance	1 July 2017	119,690,395	63,642,761
Issue of shares – warrants exercised	03 July 2017	11,800	8,675
Issue of shares – rights exercised	13 Jul 2017	300,000	249,000
Issue of shares – rights exercised	18 July 2017	27,533	32,764
Issue of shares – warrants exercised	27 July 2017	5,892	4,331
Issue of shares – rights exercised	03 Nov 2017	19,128	26,626
Issue of shares – warrants exercised	23 Jan 2018	165,200	121,447
Issue of shares – warrants exercised	23 Jan 2018	108,923	80,075
Issue of shares – warrants exercised	31 Jan 2018	20,769	15,268
Issue of shares – warrants exercised	20 Mar 2018	653,538	480,448
Issue of shares – warrants exercised	11 May 2018	30,000	22,055
Issue of shares – warrants exercised	20 Jun 2018	907,692	667,290
Closing Balance	30 Jun 2018	121,940,870	65,350,741

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

13 Issued Capital (Continued)

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

On 12 November 2015 as part of the private placement completed 9 June 2015, warrants were issued at 0.236 warrants for each new ordinary share subscribed for and can be exercised to acquire an ordinary share at the subscriber's option at a price of AU$0.73515. The total number of unexercised warrants at balance date amounts to 4,787,757.

Capital risk management

The Group must comply with financial loan covenants, imposed by the financial institutions providing loans. The capital risk management policy of the Group is regularly monitored and all financial covenants are reviewed to ensure continuous covenant compliance.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and dividends.

The Group's debt to assets ratio at reporting date is shown below.

	Consolidated	
Debt to Assets ratios	**2018**	**2017**
	$	**$**
Total Debt	127,609,558	122,035,215
Total Equity	118,539,138	111,075,993
Total Assets	293,636,117	275,804,819
Issued Capital	65,350,741	63,642,761
Debt / Total Assets ratio	**43.46%**	**44.25%**

14 Reserves

	Consolidated	
	2018	**2017**
	$	**$**
Foreign currency translation reserve	-	841,048
Share-based payment reserve	731,456	795,093
	731,456	1,636,141

During the year the Board determined to transfer the balance of Foreign Currency Translation Reserve to Retained Earnings. The Foreign Currency Translation Reserve of $841,048 was a historical balance that arose when the Group migrated from New Zealand to Australia in 2008. As the Group no longer has overseas operations the Board considered it was no longer appropriate to recognise the Foreign Currency Translation Reserve.

The share based payment reserve relates to entitlements issued to certain executives and key employees. Further details are provided in Note 24.

15 Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

	Country of Incorporation	Percentage Owned 2018	Percentage Owned 2017
Parent entity:			
ProTen Limited	Australia		
Subsidiaries of parent entity:			
ProTen Tamworth Pty Ltd	Australia	100%	100%
ProTen Holdings Pty Ltd	Australia	100%	100%
ProTen Investment Management Pty Ltd (trustee for ProTen Investment Trust)	Australia	100%	100%
ProTen South Australia Pty Ltd (trustee for ProTen Broiler Trust)	Australia	100%	Nil

(a) Equity

The proportion of ownership interest is equal to the proportion of voting power held.

(b) Acquisitions and disposals of controlled entities

In May 2018, ProTen South Australia was formed to acquire South Australian Farms. There have been no other disposals or acquisitions of controlled entities during the year or the comparative year.

16 Dividends

	Consolidated 2018 $	Consolidated 2017 $
Dividends declared and paid during the year	10,230,096	7,288,552
Total	10,230,096	7,288,552

In the current year, dividends were declared and paid each month from 1 July 2017 to 31 December 2017 at the rate of 8.00 cents per share per annum and from 1 January 2018 to 30 June 2018 at the rate of 9.00 cents per share per annum, bringing the total dividend for the year to 8.50 cents per share per annum. (2017: at the rate of 6.25 cents per share per annum).

Dividend franking account

The balance of the dividend franking account at 30 June 2018 was $1,010,862 (2017: $219,977).

Recognition and measurement

Dividends are recognised when declared during the financial year.

17 Related Party Transactions

(a) Identification of related parties

The related parties for the Group are identified as Directors and Director related entities. All controlled entities (as set out in Note 15) are also considered to be related parties of the Parent entity.

The Parent entity's loans and receivables due from related parties are disclosed in Note 22. There are no other related parties balances outstanding at 30 June 2018 or 30 June 2017.

(b) Interest on loans

There were no loans advanced to or received from any Directors or Director related entities during the year (2017: nil).

The parent entity, ProTen Limited has provided interest bearing loans to its controlled entities, as disclosed in Note 22. The loans interest rate is based on the Group's fixed rate and is unsecured. Non-current receivables do not have any fixed maturity terms negotiated on them.

(c) Beneficial holdings

Directors, director related entities & key management personnel holdings in the ordinary shares of ProTen Limited as at 30 June 2018 were as follows:

	2018 Number of shares	2017 Number of shares
John Russell Signal		
Red Tin Trust	7,256,184	6,602,646
Michelle Signal	376,000	376,000
	7,632,184	6,978,646
Maxwell Keith Bryant		
Maxwell K Bryant	972,337	1,062,037
Patricia A Bryant	982,580	982,580
Bryant Investment Trust	1,060,000	1,060,000
	3,014,917	3,104,617
Andrew Hollis Stevens		
Andrew Hollis Stevens	50,000	50,000
	50,000	50,000
Daniel Bryant		
D.K Bryant Family Trust	1,707,284	1,531,908
ERIENZ	150,120	98,396
MDM Bryant Investment Trust	86,046	80,154
	1,943,450	1,710,458

17 Related Party Transactions (continued)

(c) Beneficial holdings (continued)

	2018 Number of shares	2017 Number of shares
Geoffrey Keith McWilliam		
Sleb Investments Pty Ltd Superannuation Fund	1,661,000	1,561,000
Barbara McWilliam	300,000	400,000
	1,961,000	1,961,000
Total	14,601,551	13,804,721

Directors, director related entities & key management personnel holdings in warrants that could be exercised and are outstanding at balance sheet date are as follows:

	2018 Number of warrants	2017 Number of warrants
John Russell Signal		
Red Tin Trust	-	653,538
Maxwell Keith Bryant		
Maxwell K Bryant	123,446	123,446
Daniel Bryant		
D.K Bryant Family Trust	-	-
MDM Bryant Investment Trust	-	5,892
	-	5,892
Geoffrey Keith McWilliam		
Sleb Investments Pty Ltd Superannuation Fund	271,399	271,399

(d) Remuneration of directors, director-related entities and key management personnel

The following payments made to Directors and key management personnel during the financial year are made on an arm's length basis.

	2018 $	2017 $
Short term benefits	1,269,107	1,280,501
Post employment benefits	83,259	83,935
Other long term benefits	8,944	12,510
Share-based payments	378,386	319,795
Total	1,739,696	1,696,741

18 Cash Flow Information

Reconciliation of cash flow from operations with net profit after tax

	Consolidated	
	2018	**2017**
	$	**$**
Profit after tax	16,048,897	18,277,104
Adjustments for:		
Depreciation	607,264	448,419
(Gain)/loss on disposal of plant and equipment	(61,143)	(16,677)
Share-based payments	437,939	399,133
Fair value gain on investment property	(4,798,958)	(10,908,554)
Fair value loss / (gain) on derivative financial instruments	1,039,493	(1,741,384)
Decrease/(increase) in assets:		
Trade and other receivables	(318,824)	1,516,198
Other current assets	(1,060,584)	(104,291)
Inventory	29,398	(413,040)
Deferred tax assets	445,682	705,458
Increase/(decrease) in liabilities:		
Trade and other payables	(654,294)	1,894,210
Provisions and other liabilities	73,851	96,181
Deferred tax liabilities	5,416,245	6,597,087
Income tax payable	(41,991)	313,094
Net cash provided by operating activities	17,162,976	17,062,938

19 Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's management function. The Groups' risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The Group has significant experience in its principal markets which provides the directors with assurance as to the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to contracts fail to settle their obligations owing to the Group.

The Group's trade receivables balances are with two companies (Baiada and Bartter). In July 2009, Baiada acquired 100% of Bartter and became the sole customer of the Group. There is no history of the bad debts from either of these entities.

The Group's policy is that sales are only made to customers that are contractually bound. Baiada and Bartter are well established national businesses and have been in operation for over 60 years. From July 2009, both customers were owned by the one party, Baiada. The maximum exposure to credit risk at reporting date is the carrying amount of the receivables net of any provision (refer Note 6). In respect of the parent entity, credit risk also incorporates the potential exposure of the parent to amounts owing to it by its subsidiaries. Credit risk is managed on a group basis and reviewed regularly by management and members of the Audit Committee.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. Detailed information in relation to maturity of financial liabilities (including bank loans) is presented in Note 12. The maturity of Trade and other payables is within 60 days.

(d) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2018 approximately 79% of the Group's debt is fixed for a remaining period of between 5 and 13 years. For further details on interest rate sensitivities refer Note 19(e) and 19(f) below.

19 Financial Risk Management (continued)

(e) Interest rate sensitivities

The Groups' exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate by maturity periods, is set out in the table below:

Consolidated	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Maturing Over 5 Years		Non-interest Bearing		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	$	$	$	$	$	$	$	$	$	$	$	$
Financial Assets														
Cash at bank and on hand	0.5	0.2	943,488	621,131	-	-	-	-	-	-	-	-	943,488	621,131
Receivables	-	-	-	-	-	-	-	-	-	-	2,704,475	2,385,651	2,704,475	2,385,651
Total Financial Assets			**943,488**	**621,131**	**-**	**-**	**-**	**-**	**-**	**-**	**2,704,475**	**2,385,651**	**3,647,963**	**3,006,782**
Financial Liabilities														
Bank loans	4.0	4.0	-	-	4,650,000	4,650,000	122,211,122	117,157,633	-	-	-	-	126,861,122	121,807,633
Trade and other payables	-	-	-	-	-	-	-	-	-	-	2,957,834	3,810,690	2,957,834	3,810,690
Finance Leases	4.6	3.6	-	-	201,165	106,979	547,271	120,603	-	-		-	748,436	227,582
Total Financial Liabilities			**-**	**-**	**4,851,165**	**4,756,979**	**122,758,393**	**117,278,236**	**-**	**-**	**2,957,834**	**3,810,690**	**130,567,392**	**125,845,905**

19 Financial Risk Management (continued)

(f) Sensitivity analysis

Interest rate risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. Interest rate movement by +1% will reduce profit and loss by $268,611. Interest rate movement by -1% will increase profit and loss by $268,611.

20 Auditors' Remuneration

	Consolidated	
	2018	**2017**
	$	**$**
Remuneration of the auditor for:		
BDO East Coast Partnership		
Auditing the financial report	69,500	68,000
Other services	-	12,500
Total	69,500	80,500

21 Fair value measurement

Fair value hierarchy

The Group's accounting policy for non-financial investment property assets requires the measurement of fair value. When using fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Group categorises, for disclosure purposes, the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the Group can assess at the measurement value;
- Level 2 – inputs other than quoted prices included within level 1 that are observable, either directly or indirectly;
- Level 3 – inputs that are not based on observable market data (unobservable inputs)

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value

Level 2

	2018 $	2017 $
Assets		
Derivative financial instruments – interest rate swaps	701,892	1,741,384
Total assets	701,892	1,741,384

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and realise as little as possible on entity specific estimates.

Level 3

	2018 $	2017 $
Assets		
Investment properties	280,120,000	247,755,000
Total assets	280,120,000	247,755,000

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables, which are carried at amortised costs are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 3

21 Fair value measurement (continued)

Investment properties have been valued using a capitalisation of earnings approach which considers the actual income and expense relevant to each existing property and capitalisation rates derived from similar assets, locations and market conditions. This valuation technique has not changed during the year.

Level 3 assets
Movements in level 3 assets during the current and previous financial year are disclosed in Note 10.

The level 3 assets unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Sensitivity
Investment properties	EBITDA	1% change in EBITDA would increase/decrease fair value by $2,733,950
	Capitalisation rates	1% change would increase/decrease fair value by $25,855,416 and $21,742,894 respectively

22 Parent Entity Information

The following information relates to the parent entity, ProTen Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

		Parent	
	Note	2018 $	2017 $
Current assets		3,456,170	1,824,641
Non-current assets		202,559,158	199,496,805
Total assets		206,015,328	201,321,446
Current liabilities		8,109,258	8,319,761
Non-current liabilities		119,934,054	116,678,888
Total liabilities		128,043,312	124,998,649
Net assets		77,972,016	76,322,798
Issued capital	13	65,350,741	63,642,761
Reserves		731,456	1,636,141
Retained earnings		11,889,819	11,043,895
Total equity		77,972,016	76,322,798
Profit for the year		9,699,391	12,851,504
Total comprehensive income for the year		9,699,391	12,851,504

22 Parent Entity Information (continued)

Loan to subsidiaries

ProTen Limited has provided interest bearing loans to its subsidiaries. Loans and receivables to subsidiaries were $199,262,134 as at 30 June 2018 (2017: $195,1430,385).

23 Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

ProTen Limited
ProTen Holdings Pty Ltd
ProTen Tamworth Pty Ltd
ProTen Investment Management Pty Ltd
ProTen South Australia Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Class Order 2016/785 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by ProTen Limited, they also represent the 'Extended Closed Group'.

24 Share Based Payments

The Company has granted entitlements over ordinary shares ('performance rights') to certain key management personnel and eligible employees. On successful satisfaction of the performance conditions set by the Remuneration Committee, the company will issue ordinary shares to the selected key management personnel and eligible employees at no cost to the individual.

The entitlements at 30 June 2018 are as follows:

Grant date	Vesting date	Balance at the start of the year	Entitlements Granted	Shares Issued / Rights Cancelled	Balance at the end of the year
19/06/2015	30/06/2019*	600,000	-	(200,000)	400,000
01/07/2016	01/07/2019*	82,606	-	(35,626)	46,980
01/07/2016	01/07/2017	100,000	-	(100,000)	-
01/07/2017	01/07/2018	-	144,000	-	144,000
01/07/2017	01/07/2020*	-	107,151	(11,487)	95,664
		782,606	251,151	(347,113)	686,644

24 Share Based Payments (continued)

Subsequent to the end of the financial year and up to the date of these financial statements, the following entitlements were granted/issued:

Grant date	Vesting date	Opening Balance 30 June 18	Entitlements Granted	Shares Issued	Closing Balance
19/06/2015	30/06/2019	400,000	-	(200,000)	200,000
01/07/2016	01/07/2019*	46,980	-	(23,487)	23,493
01/07/2017	01/07/2018	144,000	-	(144,000)	-
01/07/2017	01/07/2020*	95,664	-	(31,886)	63,778
01/07/2018	01/07/2019	-	144,000	-	144,000
01/07/2018	01/07/2021	-	151,718	-	151,718
		686,644	295,718	(399,373)	582,989

*Shares are expected to vest in approximately equal annual tranches over the vesting term.

All entitlements are linked to continued service of management personnel. To be eligible to receive the entitlements, the manager must be employed by the Company at the time of issuance of the shares.

For the key performance rights granted during the current financial year and up to the date of these financial statements, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Fair value at grant date
19/06/2015 - 01/07/2015	$0.65
01/07/2016	$1.19
01/07/2017	$1.54
01/07/2018	$1.33

Recognition and measurement

Equity-settled transactions are awards of shares, or options and other entitlements over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the share price at grant date.

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

24 Share Based Payments (continued)

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

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

If equity-settled awards are cancelled, the accrued expense and reserve is reversed.

25 Company Details

(a) Registered office

The registered office of the Company is:

ProTen Limited (and Controlled Entities)
Suite 2, Level 10
201 Miller St, North Sydney NSW 2060
Australia

(b) Principal places of business

The locations of the principal places of business are:

Griffith, NSW (Farm 60, Farm 61, Rothdene, Jeanella, Jeanella South and Narrandera)
Tamworth, NSW (Bective Farm, Gidley Farm and Murrami Farm)
Serpentine, WA (Henderson Farm)

26. Subsequent event note

On 22 August 2018 the Company entered into a Scheme Implementation Deed ("Deed") with a wholly owned subsidiary of First State Super. Under the Deed, First State Super agreed to offer ProTen shareholders A$1.65 per share for 100% of the outstanding shares. The Offer is subject to a number of conditions including a shareholder vote. If successful the offer is expected to complete in November 2018.

On 5 September 2018 the Company completed the acquisition of four farms in South Australia for a total of $33,500,000 plus transaction costs of approximately A$1.5 million. The acquisition was funded by a new CBA loan Facility. Control of the farms was assumed progressively from 1 August 2018 to 5 September 2018. The acquisition will generate approximately $6,500,000 of additional revenue for the Group on a full year basis.

Between 1 July 2018 and 31 August 2018, a total of 4,050,091 warrants were exercised for a total exercise price of $2,977,424

Other than the above no matters or circumstances have arisen subsequent to the end of the financial year ended on 30 June 2018 which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years

27 Other Significant Accounting Policies

(a) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to entities in the Group are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(b) Impairment of assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate recoverable amounts for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(d) Comparatives

Where required by accounting standards or other requirements, comparative figures have been adjusted to conform to changes in the current year.

(e) Cash and cash equivalents

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

(f) Inventory

Raw materials relating to in progress broiler chicken growing batches are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials, energy costs and other direct costs apportioned in relation to the batch completion dates.

Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

27. Other Significant Accounting Policies (continued)

(g) Employee entitlements

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

(h) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is not expected to have a material impact on the Group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets); depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components; variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the

27. Other Significant Accounting Policies (continued)

commencement date; by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and additional disclosure requirements. The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. The Group will adopt this standard from 1 July 2019. On adoption, the Group will be required to capitalise operating lease commitments on the balance sheet. This will result in a non-current asset representing the right-of-use asset inherent in the lease, and the related current and non-current liability associated with the future lease payments. The asset will be valued at the present value of future minimum lease payments and depreciated over the term of the lease.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018 but the impact of its adoption not expected to have a material impact on the Group.

ProTen Limited (and Controlled Entities)

ABN 80 109 715 488

Directors' Declaration

Year ended 30 June 2018

The directors' of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 44, are in accordance with the *Corporations Act 2001* and:

(a) Comply with Australian Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Group; and

(c) The Group has included in note 1(b) to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

At the date of the declaration, the Group is within the class of companies affected by ASIC Corporations (Wholly owned Companies) Instrument 2016/785 (as amended). The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Instrument applies, as detailed in note 23 to the financial statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee.

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

Director: ....

John Russell Signal

Director: ....

Peter Colin Roberts

Dated 07 September 2018

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of ProTen Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ProTen Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We confirm that the independence declaration required by the *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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 on the other information obtained prior to the date of this auditor's report, 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

BDO

Ian Hooper
Partner

Sydney, 7 September 2018