Murray River Organics Limited

Annual report for the year ended 30 June 2016

Financial statements
for the year ended 30 June 2016

	Page
Directors' Report	3
Auditor's declaration of independence	7
Independent auditor's report	8
Directors' declaration	10
Consolidated statement of profit or loss and other comprehensive income	11
Consolidated statement of financial position	12
Consolidated statement of changes in equity	13
Consolidated statement of cash flows	14
Notes to the financial statements	15 - 41

Directors' Report

The directors of Murray River Organics Limited submit herewith the annual report of the Company for the financial year ended 30 June 2016. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report as follows:

Information about the Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Name	Board member since	Special Responsibilities
Craig Farrow	26 August 2016	Board Chair
Lisa Hennessy	19 August 2016	Chair – Nomination and Remuneration Committee
Don Brumley	19 August 2016	Chair – Audit and Risk Committee
Erling Sorensen	18 June 2012	Managing Director
Jamie Nemtsas	18 June 2012	Chief Operating Officer
Joanne Bessler	7 May 2016 (resigned 8 August 2016)	Chair – Nomination and Remuneration Committee
Josef Czyzewksi	1 March 2016 (resigned 3 August 2016)	Board Chair
Neil Kearney	23 March 2016 (resigned 8 August 2016)	Chair – Audit and Risk Committee

The above named Directors held office during the whole of the financial year and since the end of the financial year unless otherwise stated.

Ian Sinclair was appointed the secretary of the Company on 11 February 2016 and has remained so since the end of the financial year.

Directorships of other listed companies
Directorships of listed companies held by directors in the three years immediately before the end of the financial year are as follows:

Director	Company	Period of directorship
Craig Farrow	Vocus Communications Ltd	Since February 2016
	M2 Group Ltd (merged with Vocus)	December 1999 – February 2016
	Bulletproof Group Ltd	Since August 2016
Josef Czyzewksi	Monash IVF Ltd	Since June 2014
Neil Kearney	Huon Aquaculture Group Ltd	Since August 2014

Directors' stapled security holdings

The following table sets out each director's relevant interest in stapled securities of the Group as at year end and the date of this report:

	Fully paid stapled securities – as at 30 June 2016	Fully paid stapled securities – at the date of this report
Directors		
Erling Sorensen	5,583,333	3,695,000
Jamie Nemtsas	5,583,333	3,695,000
Josef Czyzewksi	33,333	33,333
Joanne Bessler	33,340	33,340

Directors' meetings

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director.

	Directors' Meetings		Audit and Risk Committee		Nomination and Remuneration Committee	
Directors	**Eligible to attend**	**Meetings attended**	**Eligible to attend**	**Meetings attended**	**Eligible to attend**	**Meetings attended**
Erling Sorensen	5	5	1	1	1	1
Jamie Nemtsas	5	5	1	1	1	1
Joanne Bessler	3	3	1	1	1	1
Josef Czyzewksi	3	3	1	1	1	1
Neil Kearney	3	3	1	1	1	1

Principal activities

The principal activity of the Group during the financial year was the production and distribution of dried fruit and citrus. No significant changes in the nature of this activity occurred during the financial year.

Results

The Group profit after tax for the year ended 30 June 2016 was $2,594,111 (2015: loss of $1,369,099).

Operating and financial review

Murray River Organics Limited is a leading Australian producer, marketer, manufacturer and seller of organic, natural and "better-for-you" food products. The Company's mission is to anticipate and exceed consumer expectations globally in healthy food by providing quality, innovation, value and convenience. Current operations focus mainly on organic dried vine fruit where the company is fully vertically integrated across the entire value chain, and citrus fruit. The business is expanding into a number of other organic, natural and "better-for-you" food products. As at 30 June 2016 the Group controlled over 4,300 acres of farmland (2015: 1,600 acres). During the year approximately 3,000 tonnes of dried fruit was produced from the Group's controlled vineyards (2015: 1,800 tonnes).

A particular highlight during the year was the commencement of a 25 year lease of the "Advinco" property, which the company refers to as Colignan. This property is regarded as Australia's premier organic dried vine fruit vineyard. The property has a total area of over 2,600 acres, and was planted to approx. 780 acres of dried vine fruit, 500 acres wine and 80 acres citrus. The property also includes approx. 500 acres of land suitable for development. The company is converting the wine acreage to organic dried vine fruit and it will be planting out the 500 acres suitable for development, also to organic dried vine fruit. Gaining control of this property has enabled the Company to double its volume of organic dried fruit produced, and it will provide the source for a significant portion of the company's future growth in production as the acreage converted and planted out starts to yield fruit.

Approximately 28% of the Group's revenue is attributed to domestic customers, and the remainder relates to exports to USA (30%), Asia (28%), Europe (13%) and others (1%). In 2016, one customer contributed greater than ten percent of the Group's revenue amounting to $2,046,576 (2015: two customers amounting to $2,739,856).

Profit has increased by 289% this year compared with last year, primarily due to the increase in volumes produced, however last year's profit was impacted by a hail event that occurred in June 2014 as well as a factory fire that occurred in June 2015. Revenue has increased by over 50% primarily driven by an increase in our sales force.

The company raised $15.1 million during the financial year (and a further $20.1 million in July and August of 2016) through issuing stapled securities (refer to 'Significant change in state of affairs' for more information.). These funds are being used to expand the business.

The Group's net assets increased by over 130% compared with the previous year which is largely attributable to the capital raising activity and the current year's profit. The cash flow benefits of fair value gains are achieved within 12 months of harvest (which occurs from February to April each year).

Significant change in state of affairs
During the financial year the company became a public unlisted company. In December 2015, pursuant to relevant company and trustee constitutions, the units of the Murray River Organics Property Trust were stapled to the shares in Murray River Organics Limited. Following this stapling, the Group completed two capital raises. The first capital raise occurred between December 2015 and April 2016 and raised $14.3 million. The second raise occurred between June and August 2016 and raised $20.9 million. $0.8 million of the second raise was received before the end of the financial year and $20.1 million was raised after 30 June 2016.

Subsequent events
In July and August 2016 the Group raised capital of $20.1 million through the issuance of stapled securities. In September 2016 the Group completed the acquisition of assets and inventory from the Partnership Baker Reeves FSI Pty Ltd ATF Baker Reeves FSI Unit Trust & El Elqui Pty Ltd ATF La Serena Discretionary Trust for consideration of $5.47 million.

Future developments
The Group intend to launch an Initial Public Offering (IPO) by the end of calendar year 2016. The Group will continue to explore further opportunities that meet the Group's long term growth and development goals. The goal is to provide a superior sustainable increase in profits. Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Environmental regulation
The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Company Dividends
No dividends were paid or declared during the period (2015: nil).

Trust Distributions
No Trust distributions were paid or declared during the period (2015: $56).

Indemnification of officers and auditors
During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Ian Sinclair, and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of company
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the financial year.

Auditor's independence declaration
The auditor's independence declaration is included on page 7 of the financial report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001.*

On behalf of the Directors

Director ______________________
Jamie Nemtsas

Director ______________________
Erling Sorensen

Melbourne, 12 October 2016

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

The Board of Directors
Murray River Organics Limited
Level 1, 360 Little Collins Street
Melbourne VIC 3000

12 October 2016

Dear Board Members

Murray River Organics Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Murray River Organics Limited.

As lead audit partner for the audit of the financial statements Murray River Organics Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter h Glynn

Peter Glynn
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

Independent Auditor's Report to the members of Murray River Organics Limited

We have audited the accompanying financial report of Murray River Organics Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 10 to 41.

Directors' Responsibility 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 Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Murray River Organics Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

We were appointed as auditors of Murray River Organics Ltd during the financial year ended 30 June 2015 and thus did not observe the counting of the physical inventories at the beginning of the comparative year. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at 30 June 2014. Since opening inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the 'raw materials and finished goods consumed' and 'change in finished goods and work in progress' reported in the statement of profit or loss and other comprehensive income and the net cash flows from operating activities reported in the statement of cash flows for the year ended 30 June 2015.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph:

(a) the financial report of Murray River Organics Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Glynn

Peter Glynn
Partner
Chartered Accountants
Melbourne, 12 October 2016

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;
(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the *Corporations Act 2001.*

On behalf of the Directors

Director
Jamie Nemtsas

Director
Erling Sorensen

Melbourne, 12 October 2016

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2016

	Notes	2016 $	2015 $
Revenue	4a	11,957,553	7,813,511
Other income	4b	1,882,005	2,251,871
Fair value of agricultural produce	4c	6,397,600	2,744,888
Change in finished goods and work in progress		1,842,015	262,055
Raw materials and finished goods consumed		(7,747,734)	(6,043,014)
Selling expenses		(144,087)	(114,801)
Employee benefits expense	5	(3,993,023)	(3,091,233)
Depreciation expense	5	(1,951,990)	(995,522)
Repairs & maintenance		(296,688)	(483,532)
Motor vehicle expense		(58,252)	(188,515)
Utility expense		(854,943)	(772,399)
Administration & other expenses		(1,792,048)	(1,589,754)
Loan forgiveness expense	5	-	(501,783)
Loss on revaluation of assets	12	(247,800)	-
Finance costs	5	(1,355,288)	(525,987)
Profit / (loss) before tax		3,637,320	(1,234,215)
Income tax expense	20	(1,043,209)	(134,884)
Profit / (loss) for the year		**2,594,111**	**(1,369,099)**
Attributed to:			
Equity holders of the parent		5,860,368	(1,719,390)
Murray River Organics Property Trust (non-controlling interests)		(3,266,257)	350,291
		2,594,111	**(1,369,099)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Loss) / Gain on revaluation of assets		(364,432)	7,994,474
Total other comprehensive (loss) / income		(364,432)	7,994,474
Total comprehensive income / (loss) for the year		**2,229,679**	**6,625,375**
Attributed to:			
Equity holders of the parent		5,860,368	(1,719,390)
Murray River Organics Property Trust (non-controlling interests)		(3,630,689)	8,344,765
		2,229,679	**6,625,375**
Basic earnings per stapled security (cents per security)	26	0.28	(0.35)
Diluted earnings per stapled security (cents per security)	26	0.28	(0.35)

Notes to the financial statements are included on pages 15 to 41.

Consolidated statement of financial position at 30 June 2016

	Notes	2016 $	2015 $
Current assets			
Cash and cash equivalents	6	2,249,108	66,583
Trade and other receivables	7	4,235,160	2,468,727
Inventories	8	10,894,400	4,376,265
Agricultural produce	9	624,108	-
Assets held for sale	10	411,880	233,186
Other assets	11	1,040,791	23,441
Total current assets		**19,455,447**	**7,168,202**
Non-current assets			
Property, plant and equipment	12	48,486,749	21,156,894
Intangible assets	13	-	164,550
Deferred tax assets	20	-	63,891
Total non-current assets		**48,486,749**	**21,385,335**
Total assets		**67,942,196**	**28,553,537**
Current liabilities			
Trade and other payables	14	4,285,026	2,204,852
Borrowings	15	3,546,987	4,388,398
Provisions	16	177,197	288,788
Total current liabilities		**8,009,210**	**6,882,038**
Non-current liabilities			
Borrowings	15	29,096,780	8,719,619
Deferred tax liabilities	20	940,075	-
Provisions	16	30,663	27,351
Total non-current liabilities		**30,067,518**	**8,746,970**
Total liabilities		**38,076,728**	**15,629,008**
Net assets		**29,865,468**	**12,924,529**
Equity			
Equity holders of the parent			
Contributed equity	18	9,692,878	12
Retained earnings / (accumulated losses)		5,071,070	(789,298)
Parent entity interest		14,763,948	(789,286)
Equity Holders of Murray River Organics Property			
Contributed equity	18	10,737,734	5,719,340
Reserves	19	7,630,042	7,994,474
Retained earnings / (accumulated losses)		(3,266,256)	1
Non-controlling interest		15,101,520	13,713,815
Equity Holders of the parent		**14,763,948**	**(789,286)**
Equity Holders of Murray River Organics Property Trust		**15,101,520**	**13,713,815**
Total equity		**29,865,468**	**12,924,529**

Notes to the financial statements are included on pages 15 to 41.

Consolidated statement of changes in equity for the year ended 30 June 2016

	Contributed equity $	(Accumulated losses) / Retained earnings $	Attributable to owners of the parent $	Asset revaluation reserve $	Non-controlling interest	Total equity $
Balance at 1 July 2014	12	930,092	930,104	-	2,929,766	3,859,870
Issue of units	-	-	-	-	2,439,340	2,439,340
Loss for the year	-	(1,719,390)	(1,719,390)	-	350,291	(1,369,099)
Other comprehensive income	-	-	-	7,994,474	7,994,474	7,994,474
Total comprehensive income/(loss) for the year	-	(1,719,390)	(1,719,390)	7,994,474	8,344,765	6,625,375
Distributions to beneficiaries	-	-	-	-	(56)	(56)
Balance at 30 June 2015	**12**	**(789,298)**	**(789,286)**	**7,994,474**	**13,713,815**	**12,924,529**
Balance at 1 July 2015	12	(789,298)	(789,286)	7,994,474	13,713,815	12,924,529
Transactions with security holders in their capacity as security holders						
Contribution of equity:						
Issue of units	-	-		-	5,018,394	5,018,394
Issue of shares	10,036,788	-	10,036,788	-	-	10,036,788
Equity raising costs (net of tax)	(343,922)	-	(343,922)	-	-	(343,922)
Profit for the year	-	5,860,368	5,860,368	-	(3,266,257)	2,594,111
Other comprehensive income/(loss)	-	-	-	(364,432)	(364,432)	(364,432)
Total comprehensive income/(loss) for the year	-	5,860,368	5,860,368	(364,432)	(3,630,689)	2,229,679
Balance at 30 June 2016	9,692,878	5,071,070	14,763,948	7,630,042	15,101,520	29,865,468

Notes to the financial statements are included on pages 15 to 41.

Consolidated statement of cash flows for the year ended 30 June 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers		9,336,279	9,236,094
Receipts from insurance proceeds		1,484,095	722,315
Payments to suppliers and employees		(13,163,751)	(11,638,744)
Interest received		45,384	4,471
Interest paid		(1,355,288)	(345,988)
Net cash used in operating activities	17(b)	(3,653,281)	(2,021,852)
Cash flows from investing activities			
Payments for property, plant & equipment		(12,841,643)	(5,989,584)
Proceeds from sale of water rights		308,550	-
Proceeds from sale of property, plant & equipment		460,000	265,129
Net cash used in investing activities		(12,073,093)	(5,724,455)
Cash flows from financing activities			
(Payments to) / proceeds from related party borrowings		(4,909,386)	1,330,515
Proceeds from borrowings		6,264,305	6,294,945
Net proceeds from hire purchase liabilities		1,842,720	158,754
Proceeds from issue of share capital and trust units		15,202,577	-
Transaction costs on issue of securities		(491,317)	-
Net cash generated by financing activities		17,908,898	7,784,214
Net increase in cash and cash equivalents		2,182,525	37,907
Cash and cash equivalents at the beginning of the year		66,583	28,676
Cash and cash equivalents at the end of the year	17(a)	2,249,108	66,583

Notes to the financial statements are included on pages 15 to 41.

1. General information

These are the financial statements of Murray River Organics Ltd which consists of Murray River Organics Ltd (parent entity), Murray River Organics Property Trust and Murray River Organics Property Pty Ltd.

The units in Murray River Organics Property Trust were stapled to the shares of Murray River Organics Ltd effective 18 December 2015. The stapled securities are on a one-to-one basis so that one Murray River Organics Property unit and one Murray River Organics Ltd share form a single stapled security.

Murray River Organics Property Pty Ltd is the Trustee Company and responsible entity of the Murray River Organics Property Trust and is a wholly owned subsidiary of Murray River Organics Pty Ltd.

Australian Accounting Standards require one of the stapled entities to be identified as the parent entity for the purposes of preparing a consolidated financial report. In accordance with this requirement, Murray River Organics Ltd is deemed to be the parent entity. The results and equity attributable to the Murray River Organics Property Trust, being the other stapled entity which is not directly or indirectly held by Murray River Organics Ltd, are shown separately in the financial statements as non-controlling interests.

The stapling transaction has been accounted for as a common-control transaction by contract alone on the basis that the combined entity was ultimately controlled by the same parties both before and after the combination and common-control is not transitory. Murray River Organics Limited has been identified as the parent entity. No purchase consideration was transferred for the acquisition. This common-control transaction has been accounted for via the 'pooling of interests-type' method which requires:

- assets and liabilities of the Trust to be measured at book value using consistent accounting policies to that of the Parent
- the comparative period and current year include both the Company and the Trust from the date on which the combining entities first came under common control
- non-controlling interests are shown as a separate item in the consolidated financial statements
- any expenses incurred on the combination are expensed in profit or loss when incurred.

The results and equity of Murray River Organics Property Trust (which is not directly owned by Murray River Organics Ltd) have been treated and disclosed as a non-controlled interest. Whilst the results and equity of Murray River Organics Property Trust are disclosed as a non-controlling interest, the stapled security holdings of Murray River Organics Ltd are the same as the stapled security holders of Murray River Organics Property Trust.

Subsidiaries are all entities over which the Group has control. Control is defined as having rights to variable returns from involvement in the investee and having the ability to affect those returns through its power over the investee.

Where an entity began or ceased to be a controlled entity during the report year, the assets, liabilities and results are consolidated only from the date control commenced or up to the date of controlled ceased.
In preparing the consolidating financial statements, all intra-group transactions and balances, including unrealised profits arising thereon have been eliminated.

Registered Office
Level 1, 360 Little Collins St
Melbourne VIC 3000

Principal place of business
Silver City Highway
Mourquong NSW 2648

2. Significant accounting policies

Statement of compliance
These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 11 October 2016.

Basis of preparation
The financial statements have been prepared on the basis of historical cost, except for certain non-current assets that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
c) the amount of revenue can be measured reliably;
d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of estimated customer returns, rebates, discounts and similar allowances.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established. Included within 'Other income' is the initial recognition of the estimate of the fair value of unharvested produce (vine fruit and citrus). Refer to section 'Agricultural produce' for further information.

(b) Inventories

Inventories purchased from suppliers are valued at the lower of cost and net realisable value. Own grown dried fruit and citrus stocks are measured at fair value less estimated costs to sell and processing costs at the point of harvest. A fair value adjustment is recognised in profit and loss at the point of harvest. Once harvested, this fruit is measured under *AASB 102 Inventories* at the lower of its fair value at point of harvest less costs to sell and net realisable value. Finished goods include the cost of raw materials, processing and packaging costs and an allocation of overhead (depending on the stage of production).

(c) Agricultural produce

Agricultural produce represents any remaining unharvested produce and citrus crop valued in accordance with *AASB 141 Agriculture*. Agricultural produce is measured at their fair value less harvesting, processing and point-of-sale costs on initial recognition and at each reporting date. The current year fair valuation takes into account current citrus and vine fruit selling prices and current growing, processing, and selling costs. The calculated crop value is then discounted to take into account its level of development, and then further discounted to take into account a suitable level of agricultural risk. The aggregate gain or loss arising on initial recognition and from changes in fair value less estimated point of sale costs is recognised as income or expense of the period. All the group's citrus trees and vines are classified as bearer plants as outlined in Note 2(d).

(d) Property, plant and equipment

Land, buildings and bearer plants are measured at their revalued amounts being fair value at the date of valuation. Fair value is determined on the basis of a Directors valuation which is regularly supported by an independent valuation prepared by external valuation experts. The valuation approach adopted is a direct comparison and discounted cash flow method. The valuation approach adopted is outlines in note 12.1.

The group's citrus trees and vines qualify as bearer plants. Bearer plants are solely used to grow produce over their productive lives and are seen to be similar to an item of machinery. However, agricultural produce growing on bearer plants will remain within the scope of *AASB 141 Agriculture* and continue to be measured at fair value less cost to sell at the point of harvest.

Any revaluation increase arising on the revaluation of land, buildings and bearer plants is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land, buildings and bearer plants is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and bearer plants is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any deferred taxes, is transferred directly to retained earnings.

Plant and equipment, leasehold improvements and assets under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. All leased assets are depreciated over their useful life, or if shorter, the period of the lease.

The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment and tooling	3-10 years
Bearer plants	25 years
Equipment under finance lease	3-5 years
Buildings & freehold improvements	50 years
Office equipment	3-5 years
Motor Vehicles	3-5 years
Properties under finance lease	25 years

(e) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>Group as lessee</u>

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(g) Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Water rights
Water rights recognised by the Group have an indefinite useful life and are not amortised. Each period, the useful life of these assets is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated in note 2(e).

(h) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Payments for superannuation benefits are recognised as an expense when employees have rendered service entitling them to the contributions.

(j) Financial Liabilities
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Stapled securities are classified as equity. Costs directly attributable to the issue of stapled securities are recognised as a deduction of equity, net of tax effect.

Other financial liabilities
Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(k) Income tax
Income tax expense represents the sum of the tax currently payable and deferred tax.

Trust
No income tax is payable by the Murray River Organics Property Trust, nor by the Trustee of the Trust provided the unitholders are presently entitled to the income of the trust as determined in accordance with the Trust Deed. When available, distributions are made to the beneficiaries of the Trust in accordance with the Trust Deed. Beneficiaries are liable for income tax applicable to the distributions made to them.

Tax Consolidation
The company (Murray River Organics Pty Ltd) was, for the period 1 July 2015 to 21 December 2015, part of a tax-consolidated group under Australian taxation law, of which Sornem Group Pty Ltd is the head entity. The consolidated current and deferred tax amounts for the tax-consolidated group are allocated to the members of the tax-consolidated group using the 'separate taxpayer within group' approach, with deferred taxes being allocated by reference to the carrying amounts in the financial statements of each member entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the company, as under Australian taxation law the head entity has the legal obligation (or right) to these amounts.

Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts were recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax consolidated group in accordance with the arrangement.

On 21 December 2015, the company raised capital from third parties. This had the effect of causing the company to exit the Sornem Group tax-consolidated group and, from that date onwards, became a taxpayer in its own right.

The tax balances for the period ended 30 June 2016 therefore aggregate two distinct periods, being a period whereby the company was part of a tax consolidated group and a period where it was its own taxpayer.

Current tax
The tax currently payable is based on taxable profit for the year for Murray River Organics Pty Ltd. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(m) Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Murray River Organics Limited should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government assistance which does not have conditions attached specifically relating to the operating activities of the entity is recognised in accordance with the accounting policies above.

(n) Non-current asset held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with *AASB 139 Financial instruments: recognition and measurement* unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(o) Borrowing costs

Borrowing costs incurred for the construction or development of any qualifying asset (including vineyards) are capitalised during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs, inclusive of all facility fees, bank charges, and interest, are expensed as incurred.

(p) Foreign currency

The financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Group are expressed in Australian dollars ('$'), which is the functional currency of the Group and the presentation currency for the financial statements.

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise except that exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

(q) Financial assets

Financial assets are classified as 'loans and receivables'. This classification is based on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

<u>Loans and receivables</u>

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

<u>Impairment of financial assets</u>

Financial assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed for impairment on a collective basis even if they were assessed not to be impaired individually.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(r) Comparative Figures

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Agricultural produce

The current year unharvested fruit and citrus crop is classified as a biological asset and valued in accordance with *AASB 141 Agriculture*. In applying this standard, the Group has made various assumptions at the balance date as the selling price of the crop can only be estimated and the actual crop yield will not be known until it is completely processed and sold. The assumptions are the estimated average dried fruit and citrus selling price at the point of harvest of $2.91 per kg and $0.45 per kg respectively.

(b) Property, plant and equipment (including bearer plants)

Useful lives and residual value of property, plant and equipment (including bearer plants) are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

Land, buildings and bearer plants are measured at fair value. Judgement is required in determining fair value. Refer to note 12.1 for details.

(c) Colignan lease

The property leases of the company include a ~2,600 acre lease from Arrow Funds Management in which the Company has the right to harvest the vine fruit and citrus from the trees owned by the lessor for the term of the agreement. The Company also has first right of refusal to purchase the property in the event that the lessor wished to sell. The term of the lease is 25 years, which is consistent with the useful life of the bearer plants. The present value of the minimum lease payments is greater than the fair value of the asset.

Management have determined using judgement that this transaction constitutes a finance lease and accordingly has recognised the leased asset and corresponding liability in the balance sheet. A finance charge at the implied interest rate of the liability as well as depreciation of the leased asset is recognised in the profit and loss.

(d) Impairment of assets

Management's judgement is applied in determining the impairment of assets in accordance with AASB136 *Impairment of Assets*. If the recoverable amount (higher of the value in use and fair value less cost to sell) is lower than the carrying value of an asset, the difference is recognised as impairment in the profit or loss. Permanent water rights are classified as non-current assets held for sale at reporting date and measured at the lower of cost and fair value less costs to sell.

(e) Inventory

Valuation

Management's judgement is applied in determining the fair value of inventory. The valuation takes into account expected sales prices, yields, growth profile, picked fruit quality and expected incremental-cost related to the sale of the assets and management must make a judgement as to the trend in these factors.

Provision for obsolete stock

Management's judgement is applied in determining the provision for and recovery of that inventory obsolescence. If the estimated selling price of inventory is lower than the carrying value, the difference is recognised in the provision.

(f) Leased water rights

The Group leases short-term temporary water rights. These are treated as operating leases on the basis that:

- the water rights do not transfer to the Group at the end of the lease;
- there are no option to purchase the water rights;
- the rights are temporary and short-term; and
- settlement of the contracts cannot be settled in cash on a net basis.

	2016 $	2015 $
4. Revenues		
a) Revenue from sale of goods:	**11,957,553**	**7,813,511**
b) Other revenue:		
Interest income	45,384	4,471
Insurance proceeds	1,484,095	722,315
R&D refund from ATO	-	1,250,000
Other	352,526	275,085
	1,882,005	**2,251,871**
c) Fair value gain of agricultural produce	**6,397,600**	**2,744,888**

The fair value gain of agricultural produce represents the fair value (less cost to sell at the point of harvest) of both harvested and unharvested produce which has been measured as outlined in Note 2(c).

5. Expenses

	2016 $	2015 $
Profit / (loss) before tax includes the following specific expenses		
Depreciation and amortisation of non-current assets:		
Property, plant and equipment	1,587,782	995,522
Leased asset	364,208	-
Total depreciation of non-current assets	**1,951,990**	**995,522**
Employee benefits expense:		
Employee expenses	3,622,986	2,864,886
Superannuation benefits	370,037	226,347
Total employee benefits expense	**3,993,023**	**3,091,233**
Finance costs:		
Interest on related party loans	212,999	180,000
Interest on bank overdrafts and loans	456,575	249,849
Interest on obligations under finance leases	6,662	6,341
Other interest expense	982,145	89,797
Capitalised interest relating to qualifying assets	(303,093)	-
Total finance costs	**1,355,288**	**525,987**
Foreign exchange loss / (gain)	18,280	(7,491)
Profit / (loss) on sale of property, plant and equipment and intangible assets	(370,814)	6,825
Provision for doubtful debts	360,424	2,479
Loan forgiveness expense (i)	-	501,783

(i) Prior year loan forgiveness expense relates to loan provided by Murray River Organics to Sornem Group Pty Ltd (a related party).

	2016 $	2015 $
6. Cash and cash equivalents		
Cash at bank	**2,249,108**	**66,583**

	2016 $	2015 $
7. Trade and other receivables		
Trade receivables	4,036,997	1,030,643
Provision for doubtful debts and customer returns	(360,424)	(2,479)
Amount receivable from parent of the tax consolidated group for R&D refund	-	1,250,000
GST receivable	474,032	190,563
Related party receivables	84,555	-
	4,235,160	**2,468,727**
Aging of trade receivables that not impaired:		
Not past due	2,360,352	846,366
Past due 1-30 days	1,661,944	92,282
Past due 31-60 days	14,628	80,150
Past due 61 days+	73	11,845
	4,036,997	**1,030,643**
Movements in the accumulated impairment losses were:		
Opening balance at 1 July	2,479	-
Impairment loss recognised	360,424	2,479
Amounts written off	(2,479)	-
Closing balance at 30 June	**360,424**	**2,479**
Aging of provision for doubtful debts at 30 June 2016 is as follows:		
Not past due	347,924	-
Past due 1-30 days	-	-
Past due 31-60 days	-	-
Past due 61 days+	12,500	2,479
	360,424	**2,479**

Trade receivables are non-interest bearing with credit terms generally settled within 30 days depending on the nature of the sales transaction. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. The impairment losses have been included within other expenses in the statement of profit or loss and other comprehensive income. All trade receivables that are not impaired are expected to be received within credit terms.

	2016 $	2015 $
8. Inventories		
Packaging stock	129,358	257,994
Raw materials	9,696,508	3,593,020
Finished goods	2,367,266	525,251
Provision	(1,298,732)	-
	10,894,400	**4,376,265**

9. Agricultural produce

Unharvested fruit at fair value less costs to sell (i)	**624,108**	-

(i) In the prior year, all agricultural produce at balance date had been harvested or had a nil fair value due to damage.

10. Assets held for sale

Water rights	411,880	-
Property assets	-	233,186
Total	**411,880**	**233,186**

The Group holds water access licenses (water rights) across various locations in Australia. At 30 June 2016, one of these licenses was classified as an asset held for sale (Merbein South (Victoria)).

11. Other Assets

Prepayments	744,138	23,441
Other	296,653	-
	1,040,791	**23,441**

12. Property, plant and equipment

Carrying amounts of:		
Freehold land at fair value	5,084,580	3,376,870
Bearer plants at fair value	14,757,280	11,915,624
Buildings and property improvements at fair value	3,158,232	3,040,201
Leased asset - Colignan farm	18,205,139	-
Accumulated depreciation – Leased asset (Colignan farm)	(364,208)	-
Plant and equipment at cost	10,001,291	4,192,715
Accumulated depreciation – plant and equipment	(2,355,565)	(1,368,516)
Total property, plant and equipment	**48,486,749**	**21,156,894**

Property, plant and equipment

	Freehold land at fair value	Bearer plants at fair value	Buildings and property improvements at fair value	Leased asset - Colignan farm at cost	Plant and equipment at cost	Total
Balance at 1 July 2014	**876,201**	**4,765,613**	**1,504,661**	-	**1,515,239**	**8,661,714**
Additions	362,425	3,008,021	905,828	-	2,216,835	6,493,109
Disposals	(603,299)	-	(123,753)	-	(269,829)	(996,881)
Depreciation for the year	-	(303,715)	(53,761)	-	(638,046)	(995,522)
Revaluation increase through asset revaluation reserve	2,741,543	4,445,705	807,226	-	-	7,994,474
Balance at 30 June 2015	**3,376,870**	**11,915,624**	**3,040,201**	-	**2,824,199**	**21,156,894**
Additions	1,410,501	3,382,664	1,074,134	18,205,139	5,840,930	29,913,368
Disposals	-	-	-	-	(19,291)	(19,291)
Depreciation for the year	-	(503,211)	(84,459)	(364,208)	(1,000,112)	(1,951,990)
Loss on revaluation	(29,938)	-	(217,862)	-	-	(247,800)
Revaluation increase / (decrease) through asset revaluation reserve	327,147	(37,797)	(653,782)	-	-	(364,432)
Balance at 30 June 2016	**5,084,580**	**14,757,280**	**3,158,232**	**17,840,931**	**7,645,726**	**48,486,749**

12.1 Fair value measurement of the Group's freehold land and buildings

The Group's freehold land, buildings and bearer plants are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's freehold land and buildings and bearer plants as at 30 June 2016 and 30 June 2015 were performed by CBRE, independent valuers not related to the Group. CBRE are members of the Institute of Valuers of Australia, and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations

The valuation approach adopted is a direct comparison and discounted cash flow method. There has been no change to the valuation technique during the year.

The Group's freehold land, buildings and bearer plants are classified as Level 3 with reference to the fair value hierarchy.

Fair Value Measurement

The fair value measurements of the Group stated above refer to the fair value hierarchy. These include:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

Had the Group's freehold and buildings (other than land and buildings classified as held for sale or included in a disposal Group) been measured on a historical cost basis, their carrying amount would have been as follows

	2016 $	2015 $
Freehold land	2,015,890	635,327
Bearer plants	10,349,372	7,469,919
Buildings and property improvements	3,004,788	2,232,975
Total	**15,370,050**	**10,338,221**

13. Intangible assets

Permanent water rights at cost – balance at start of year	164,550	-
Additions	411,880	164,550
Transfer to Asset held for sale	(411,880)	-
Disposals	(164,550)	-
Balance at end of the year	**-**	**164,550**

14. Trade and other payables

	2016 $	2015 $
Trade payables	3,759,807	1,951,322
Other accruals and payables	498,084	253,530
Deferred income	27,135	-
Total	**4,285,026**	**2,204,852**

15. (a) Borrowings

Current		
Related party payables – unsecured	-	3,785,588
Unpaid distributions to beneficiaries	56	56
Secured borrowings:		
Bank loans (i)	1,259,250	294,945
Hire purchase liability (ii)	638,181	307,809
Lease liability (refer to 15 (b)) (iii)	1,649,500	-
Total	**3,546,987**	**4,388,398**
Non-current		
Related party payables – unsecured	-	1,000,000
Secured borrowings:		
Bank loans (i)	11,300,000	6,000,000
Hire purchase liability (ii)	1,981,966	469,619
Lease liability (refer to 15 (b)) (iii)	15,814,814	-
Related party borrowings – Greenlight	-	1,250,000
Total	**29,096,780**	**8,719,619**

(i) Bank loans are secured by registered mortgage freeholds over the land and buildings of the Group. The carrying value of assets pledged as security is $23,000,092. The maturity date of non-current loans is April 2019 ($3,000,000) and October 2019 ($8,300,000).

(ii) Hire purchase liabilities are secured over the assets under hire purchase.

(iii) The leased liability is secured by the underlying leased asset which had a carrying value of $17,840,931.

The weighted average of fixed and floating interest rates is 7.96% (2015: 5.01%).

15 (b) Carrying amounts of finance leased liability
The company has a finance lease for which the future minimum lease payments amounts to $52,878,335 (2015: nil). They relate to the lease of the Colignan vineyard. It is a non-cancellable lease with an implicit interest rate of 11.33% and has a remaining term of 24 years.

	2016 $	2015 $
Not later than one year	1,649,500	-
Later than one year and not later than five years	8,499,075	-
Later than five years	42,729,760	-
Minimum lease payments	**52,878,335**	-
Less future finance charges	(35,414,021)	-
Total recognised as liability at 30 June 2016	**17,464,314**	-

16. Provisions

Current		
Employee entitlements	177,197	288,788
Total	**177,197**	**288,788**
Non-Current		
Employee entitlements	30,663	27,351
Total	**30,663**	**27,351**

	2016 $	2015 $

17. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	2016 $	2015 $
Cash at bank	**2,249,108**	**66,583**

(b) Reconciliation of profit/ (loss) for the year to net cash flows from operating activities

	2016 $	2015 $
Profit / (Loss) for the year	2,594,111	(1,369,099)
Adjustment for items not involving the outlay of cash:		
Bad and doubtful debts	357,945	2,479
(Profit)/loss on sale of assets	(370,820)	6,825
Fair value gain of agricultural produce	(6,397,600)	(2,744,888)
Loan forgiveness expense	-	501,783
Impairment of property, plant and equipment	247,800	180,000
Depreciation, amortisation and impairment	1,951,990	995,522
Capitalisation of borrowing cost	(303,093)	121,264
	(1,919,667)	**(2,306,114)**
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	(3,289,824)	(903,854)
Inventories	(744,643)	258,616
Other assets	(1,017,350)	(22,691)
Current tax asset	63,891	-
Increase/(decrease) in liabilities:		
Deferred tax liabilities	1,233,554	-
Trade and other payables	2,129,037	831,920
Provisions	(108,279)	120,271
Net cash used in operating activities	**(3,653,281)**	**(2,021,852)**

18. Issued capital

Effective 18 December 2015, the Group stapled the units in Murray River Organics Property Trust to Murray River Organics Limited. The stapled securities are on a one-to-one basis so that one Murray River Organics Property unit and one Murray River Organics Ltd share form a single stapled security.

The stapling transaction has been accounted for as a common-control transaction by contract alone on the basis that the combined entity was ultimately controlled by the same parties both before and after the combination and common-control is not transitory. Murray River Organics Limited has been identified as the parent entity. No purchase consideration was transferred for the acquisition. This common-control transaction has been accounted for via the 'pooling of interests-type' method which requires:

- assets and liabilities of the Trust to be measured at book value using consistent accounting policies to that of the Parent
- the comparative period and current year include both the Company and the Trust from the date on which the combining entities first came under common control
- non-controlling interests are shown as a separate item in the consolidated financial statements
- any expenses incurred on the combination are expensed in profit or loss when incurred.

Contributed equity	**Murray River Organics Limited**		**Murray River Organics Property Trust**	
Equity	**2016** **$**	**2015** **$**	**2016** **$**	**2015** **$**
Opening Balance	12	12	5,719,340	3,280,000
Equity raised through issuance if stapled units	10,036,788	-	5,018,394	-
Equity raising costs (net of tax)	(343,922)	-	-	-
Units issued in Mar 2015	-	-	-	2,439,340
Closing Balance	**9,692,878**	**12**	**10,737,734**	**5,719,340**

Securities on issue	**Murray River Organics Limited**		**Murray River Organics Property Trust**	
	2016 **Number**	**2015** **Number**	**2016** **Number**	**2015** **Number**
Opening Balance	12	12	**5,719,340**	3,280,000
Impact of share split	11,999,988	-	-	-
Units issued in Nov 2015	-	-	6,280,660	-
Equity raised through issuance of stapled units in December 2015	4,765,050	-	4,765,050	-
Equity raised through issuance of stapled units in June 2016	211,120	-	211,120	-
Units issued in Mar 2015	-	-	-	2,439,340
Closing Balance	16,976,170	12	16,976,170	**5,719,340**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Murray River Organics Limited does not have a limited amount of authorised capital and issued shares do not have a par value.

	2016 $	2015 $
19. Reserves		
Asset revaluation reserve		
Balance at the beginning of the year	7,994,474	-
Revaluation (decrements) / increments	(364,432)	7,994,474
Balance at the end of the financial year	7,630,042	7,994,474

The asset revaluation reserve arises on the revaluation of freehold land, buildings and bearer plants. Where a revalued asset is sold that portion of the asset revaluation reserve which relates to that asset and is effectively realised and is transferred directly to retained profits.

20. Income tax

The prima facie income tax expense on pre-tax accounting loss from operations of Murray River Organics Limited reconciles to the income tax expense/(credit) in the financial statements as follows

	2016 $	2015 $
Aggregated (loss) / profit before tax	3,637,320	(1,234,215)
Less: (loss)/profit attributable to the beneficiaries of Murray River Organics Property Trust	(3,266,257)	350,291
Profit / (loss) attributable to Murray River Organics Pty Ltd	6,903,577	(1,584,506)
Income tax benefit / (expense) calculated at 30%	(2,071,073)	475,352
Tax effect of:		
Permanent differences	1,036,913	(612,482)
Prior period adjustments	(7,549)	-
Other	(1,501)	2,246
Net income tax expense	**(1,043,209)**	**(134,884)**
Deferred tax liabilities		
Property, plant and equipment	78,108	(7,299)
Fair value uplift recognised in cost base of inventory	1,887,337	-
	1,965,445	(7,299)
Deferred tax assets		
Employee entitlements	62,358	43,360
Accrued expenses	24,721	15,012
Deferred revenue	8,140	-
Deductible lease payments	160,482	-
Tax losses	560,167	-
Other	209,502	(1,780)
	1,025,370	56,592
Net deferred tax (liability) / asset	**(940,075)**	**63,891**

	2016 $	2015 $
Reconciliation of deferred taxes		
Opening balance 1 July	63,891	30,918
Recognised in profit or loss	(1,175,565)	32,973
Recognised directly in equity	147,395	-
Acquisitions/ disposals	-	-
Other	24,204	-
Closing balance at 30 June	**(940,075)**	**63,891**

21. Financial Risk Management

The Group's activities expose it to various types of risks. The most important types of financial risks to which the Group is exposed are market risk, credit risk and liquidity risk. The Company is responsible for determining objectives and risk policies. The exposure to each of these risks, as well as the Group's policies and processes for managing these risks are described below.

(a) Market risk

Market risk embodies the potential for both loss and gains and would normally include currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk is the risk of financial loss relating to financial instruments arising from changes in foreign currencies. The Group has limited exposure to currency risk as the majority sales and purchases are denominated in Australian dollars.

ii) Interest rate risk

The Group has exposure to interest rate risk. Interest-bearing financial assets and liabilities are limited to cash and cash equivalents, and borrowings which have variable interest rate terms.

The Group's exposure to interest risk rate at reporting date, including sensitivity to changes in market interest rates that were reasonably possible, is as follows:

	Floating Interest Rate		Fixed Interest Rate Maturing In:						Non-Interest Bearing		Total Carrying Amount as per the Balance Sheet		Weighted Average Effective Interest Rate	
			1 Year or Less		Over 1 to 5 Years		More than 5 Years							
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Financial Instruments	$	$	$	$	$	$	$	$	$	$	$	$	%	%
(i) Financial Assets														
Cash	2,249,108	66,583	-	-	-	-	-	-	-	-	2,249,108	66,583	-	-
Trade Receivables	-	-	-	-	-	-	-	-	4,036,997	1,030,643	4,036,997	1,030,643	-	-
Total Financial Assets	2,249,108	66,583	-	-	-	-	-	-	4,036,997	1,030,643	6,286,105	1,097,226	-	-
(ii) Financial Liabilities														
Equipment Loans	-	-	704,778	306,968	2,239,199	592,826	-	-	-	-	2,620,147	777,427	5.06%	6.37%
Trade Finance	-	-	1,270,556	-	-	-	-	-	-	-	1,259,250	-	5.29%	-
Colignan Lease Finance	-	-	1,649,500	-	8,499,075	-	42,729,760	-	-	-	17,464,314	-	11.33%	-
Borrowings	-	-	493,810	791,770	12,384,430	11,100,692	-	-	-	-	11,300,000	12,330,589	4.37%	4.85%
Trade Creditors	-	-	-	-	-	-	-	-	3,759,807	1,951,322	3,759,807	1,951,322	-	-
Total Financial Liabilities	-	-	4,118,644	1,098,739	23,122,704	11,693,518	42,729,760	-	3,759,807	1,951,322	36,403,519	13,273,695	-	-

(b) Credit risk

Credit risk is the risk that a party to the financial instrument will cause a financial loss to the Group by failing to discharge an obligation. The Group is exposed to credit risk through the financial assets it holds, the value of which represents the maximum exposure to credit risk.

The Group manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating or do not show a history of defaults. Cash at bank of $2,249,108 (2015: $66,583) is held with reputable financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. The Group monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due.

There is no material difference between the fair value and the carrying value of financial liabilities. The Group manages liquidity risk by continuously monitoring forecasts and actual cash flows.

Financing arrangements

The following debt facilities are held with the National Australia Bank (NAB), except as noted. The usage of the facilities in place at 30 June 2016 is below:

30 June 2016 Debt facilities	Facility limit ($)	Used ($)	Unused facility ($)
Term debt	11,900,000	11,300,000	600,000
Trade finance	2,500,000	1,259,250	1,240,750
Market rate	1,300,000	-	1,300,000
Bank guarantee	1,824,750	1,714,082	110,668
Equipment loans	3,250,000	2,620,147	629,853

(d) Fair values

The aggregate fair values and carrying amount of financial assets and financial liabilities are not materially different from the book values disclosed in the statement of financial position and in the notes to the financial statements.

Capital management

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2015. The capital structure of the Group consists of net debt (borrowings as detailed in note 15 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in note 20). The Group is not subject to any externally imposed capital requirements.

The gearing ratio (total borrowings / equity) of the Group at 30 June 2016 was 1.1 (2015: 1.2)

Financial risk management objectives

Management monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

22. Key Management personal compensation

The compensation made to directors and other members of key management personnel of the Group is set out below:

	2016 $	2015 $
Short-term employee benefits	550,712	280,000
Post-employment benefits	52,318	-
Total	**603,030**	**280,000**

23. Remuneration of auditor

Audit of the financial report	65,850	48,500
Tax services	20,000	20,000
Total	**85,850**	**68,500**

The auditor of Murray River Organics Limited is Deloitte Touche Tohmatsu.

24. Contingent Liabilities

There are no contingent liabilities at the end of the year.

25. Segment information

The Group operates in one industry being the production of food and food products within Australia. All of the Group's revenue is attributable to this group of products. Approximately 28% of the Group's revenue is attributed to domestic customers, and the remainder relates to exports to USA (30%), Asia (28%), Europe (13%) and others (1%). In 2016, one customer contributed greater than ten percent of the Group's revenue amounting to $2,046,576 (2015: two customers amounting to $2,739,856).

The chief operating decision maker (being the Managing Director) regularly reviews entity wide information that is compliant with Australian Accounting Standards. There is only one segment for segment reporting purposes and the information reviewed by the chief operating decision maker is the same as the information presented in the statement of financial position, statement of profit and loss and other comprehensive income and statement of cash flows.

26. Earnings per stapled security (EPSS)

(a) Basic earnings per stapled security

Basic earnings per stapled security (EPSS) is determined by dividing profit for the year after income tax attributable to members of the Group, excluding any costs of servicing equity other than stapled securities, by the weighted average number of stapled securities outstanding during the period.

(b) Diluted earnings per stapled security

Diluted earnings per stapled security is calculated by dividing the profit attributable to security holders by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of options issued). There were no options issued at 30 June 2016 (2015: nil).

	2016 $	2015 $
Basic earnings per stapled security	0.28	(0.35)
Diluted earnings per stapled security	0.28	(0.35)

Earnings used to calculate basic and diluted earnings per stapled security		
Profit / (Loss) for the year attributable to equity holders of Murray River Organics Group	2,594,111	(1,369,099)
	Number of stapled securities	
Weighted average number of stapled securities outstanding during the year used in calculating basic earnings per stapled security	9,309,830	3,888,176
Weighted average number of stapled security options on issue	-	-
Weighted average number of stapled securities outstanding during the year used in calculating dilutive earnings per stapled security	9,309,830	3,888,176

27. Obligations under finance leases

The Group leases property assets under a finance lease. The lease term is 25 years (2015: nil). The Group's obligations under finance leases are secured by the lessors' title to the leased assets. Interest rates underlying all obligations under the lease are fixed at 10% (2015: nil) per annum. Refer to note 15.

28. Obligations under operating leases

The Group leases property assets and short term temporary water entitlements under operating leases.

	2016 $	2015 $
Not later than one year	1,034,453	419,885
Later than one year and not later than five years	4,788,300	1,198,541
Later than five years	2,582,218	-
	8,404,971	1,618,426

29. Related party transactions

The following balances were outstanding at the end of the reporting period:

	2016 $	2015 $	2016 $	2015 $
	Amounts owed by related parties		Amounts owed to related parties	
Sornem Group Pty Ltd	84,555	-	-	1,785,588
Sorensen Family Trust	-	-	-	1,000,000
Meredith Investment Trust	-	-	-	1,000,000
Jamel Family Trust	-	-	-	1,000,000
Greenlight Foundation	-	-	-	1,250,000

In the prior year, the Group recorded a loan forgiveness expense of $501,783 in relation to a loan provided by Murray River Organics to Sornem Group Pty Ltd (a related party). Also in the prior year, the Group had a short-term receivable balance from Sornem Group Pty Ltd, who was the parent of the tax consolidated group in relation to an R&D tax refund attributed to Murray River Organics.

Interest on related party loans was $212,999 (2015: $180,000).

30. Events subsequent to reporting date

In July and August 2016 the Group raised capital of $20.1 million through the issuance of stapled securities. In September 2016 the Group completed the acquisition of assets and inventory from the Partnership Baker Reeves FSI Pty Ltd ATF Baker Reeves FSI Unit Trust & El Elqui Pty Ltd ATF La Serena Discretionary Trust for consideration of $5.47 million.

31. Controlled entities

	Country of incorporation	Percentage owned (%)	
		2016	**2015**
Parent entity:			
Murray River Organics Limited	Australia	100	100
Subsidiaries of Murray River Organics Limited			
Murray River Organics Property Trust	Australia	-	-
Murray River Organics Property Pty Ltd (ATF Murray River Organics Property Trust)	Australia	100	-

32. Parent entity financial information

	2016 $	2015 $
Balance sheet		
Current assets	18,985,512	6,913,702
Total assets	53,383,988	9,813,718
Current liabilities	10,762,579	7,062,448
Total liabilities	38,620,040	10,603,004
Net Assets	**14,763,948**	**(789,286)**
Equity		
Issued capital	9,692,878	(12)
(Accumulated losses) / retained earnings	5,071,070	789,298
Total equity	**14,763,948**	**789,286**
Profit / (Loss) for the year	5,860,368	(1,719,389)
Other comprehensive income	-	-
Total comprehensive income	**5,860,368**	**(1,719,389)**

33. Adoption of new and revised Accounting Standards

33.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

There are no new and revised standards impacting the current year financial statements.

33.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15' and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016-1 'Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018

The Directors are yet to determine whether the above Standards and Interpretations will have a material impact on the financial statements.