

Appendix 4E

Preliminary final Report

Name of Entity	Wide Open Agriculture Limited
ABN	86 604 913 822
Year Ended	30 June 2019
Previous Corresponding Reporting Period	30 June 2018

Results for Announcement to the Market

	\$'000	Percentage increase/(decrease) over previous corresponding period
Revenue from ordinary activities	306	(45%)
(Loss) from ordinary activities after tax attributable to members	(2,079)	(60%)
Net (loss) for the period attributable to members	(2,079)	(60%)
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	It is not proposed to pay Dividends	
Interim Dividend	It is not proposed to pay Dividends	
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Dividends

Date the dividend is payable	No dividends
Record date to determine entitlement to the dividend	No dividends
Amount per security	-c
Total dividend	-c
Amount per security of foreign sourced dividend or distribution	-c
Details of any dividend reinvestment plans in operation	No dividends
The last date for receipt of an election notice for participation in any dividend reinvestment plans	No dividends

Net Tangible Assets per Security

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	3.77c	6.84c

The 30 June 2019 financial report dated 30 August 2018 forms part of and should be read in conjunction with the Preliminary Final Report (Appendix 4E).

This report is based on financial statements that have been audited. The audit report is included in the 30 June 2019 Annual Financial Report.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 86 604 913 822

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

CONTENTS

Corporate Directory	1
Director's Report	2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	18
Consolidated Statement of Financial Position	19
Consolidated Statement of Changes in Equity	20
Consolidated Statement of Cash Flows	21
Notes to the Consolidated Financial Statements	22
Director's Declaration	54
Independent Auditor's Declaration	55
Independent Auditor's Report	56
Additional ASX Information	60

CORPORATE DIRECTORY

DIRECTORS

Mr Anthony Maslin (Non-Executive Chairman)
Dr Ben Cole (Managing Director)
Mr Stuart McAlpine (Non-Executive Director)
Mr Hans Schut (Non-Executive Director)

JOINT COMPANY SECRETARIES

Mr Sam Wright
Ms Lydia Fee

BUSINESS OFFICE

5 Brooking Street
Williams, Western Australia, 6391
Email: info@wideopenagriculture.com.au

REGISTERED OFFICE

Suite 39, 1 Freshwater Parade
Claremont, Western Australia, 6010
Telephone: +61 8 6161 7412

WEBSITE

www.wideopenagriculture.com.au

SOLICITORS

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe, Western Australia, 6011

AUDITORS

Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth, Western Australia, 6005

SHARE REGISTRY

Link Market Services Limited
QV1 Building
Level 12, 250 St Georges Terrace
Perth, Western Australia, 6000
Telephone: +61 1300 554 474

STOCK EXCHANGE

Australian Securities Exchange
Central Park
152-158 St Georges Terrace
Perth Western Australia 6000

ASX CODE: WOA

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

Your directors present this report on Wide Open Agriculture Limited (the "Company" or "WOA") and its subsidiaries ("Consolidated Entity" or "Group") for the year ended 30 June 2019.

DIRECTORS

The name of the directors in office at any time during, or since the end of the year are:

Ben Cole – Managing Director (appointed on 23 March 2015)

B.Env.Sc (Hons) PhD

With a PhD in environmental engineering, Ben is a proven entrepreneur with proven strategic and operational experience. Ben has over 15 years of experience working with companies with a proven commitment to delivering strong results that deliver a positive environmental and social impact. Between 2008 to 2013 he founded, managed and sold a profitable, manufacturing company in Vietnam. Ben has extensive international experience as a manager of market-based, public health projects totalling up to \$30 million. Ben is a non-executive director of the not for profit Regional Regeneration Alliance. In the last three years, Ben was not a director of any other publicly listed company.

Anthony Maslin – Non-Executive Chairman (appointed on 23 March 2015)

BBus (Fin and Ent)

Anthony started as a stockbroker 26 years ago managing capital raisings and providing ethical investment advice. In 1998 he founded Solar Energy Systems Ltd (now Solco Ltd), which became the first solar energy company to list on the ASX. Since then he has consulted to and managed various listed companies, including five years as Managing Director of Buxton Resources Ltd. Anthony served as a Non-Executive Director of Pancontinental Oil & Gas NL (ASX:PCL) and resigned 15 January 2016. Anthony is currently a Non-Executive Director of Buxton Resources Ltd (ASX:BUX). Anthony also co-founded community art hub the Artspace Collective and the Mo, Evie and Otis Maslin Foundation, which focuses on early intervention for dyslexia. In the last three years, Anthony was not a director of any other publicly listed company.

Stuart McAlpine – Non-Executive Director (appointed 30 March 2016)

Stuart is a Wheatbelt farmer with over 35 years' experience in agriculture who is committed to the environmental and social restoration of his region. He was co-founder of the Liebe Group and inaugural President. He instigated the Regional Repopulation Plan with the Wheatbelt's Dalwallinu Shire and Chaired the Regional Repopulation Advisory Committee. Stuart is also Co-founder and a non-executive director of the not for profit Regional Regeneration Alliance. In the last three years, Stuart was not a director of any other publicly listed company.

Hans Schut – Non-Executive Director (appointed 30 November 2018)

Hans operates a consultancy firm called BDFC. He is a Chairman of the Supervisory Board of DE-on, a provincial renewable energy fund in the Netherlands and serves on the investment committee of a large construction equity fund for renewables in emerging markets. Hans worked with industrial companies (Vredestein and DRU in the Netherlands) and a Dutch energy utility (NUON) for 16 years, before embarking on a career as a banker and investor at the European Triodos Bank for 17 years. As a former managing director of Triodos Investment Management, the impact-investing arm of Triodos Bank, he has developed and managed various impact investment funds with activities in Europe and emerging markets. He holds a degree in Industrial Design Engineering from Delft Technical University in the Netherlands. In the last three years, Hans was not a director of any other publicly listed company.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

James Mackintosh – Non Executive Director (appointed 24 July 2015, resigned 30 November 2018)

James has more than 10 years experience as a corporate finance professional in New Zealand, the UK and the Netherlands. James was formerly a Director at KPMG Deal Advisory in Amsterdam where he also co-led KPMG's financial modelling practice in the Netherlands. James holds a PhD in chemistry and co-owns an Australian based wine company. James is the Managing Director of 4 Returns Projects B.V, the 100% subsidiary of WOA shareholder Commonland Foundation and represents Commonland on the WOA Board. In the last three years, James was not a director of any other publicly listed company.

COMPANY SECRETARY

The name of the Company Secretaries in office at any time during, or since the end of the year are:

Sam Wright (appointed on 28 September 2016)

Sam has over fifteen years experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, and shareholder relations with both retail and institutional investors. He is currently the company secretary for a number of ASX listed companies.

Lydia Fee (appointed on 28 September 2016)

Lydia has been a consultant at Straight Lines Consultancy for over eight years and is involved with a number of ASX listed clients. She has extensive experience in financial reporting, compliance, corporate governance, and marketing. Prior to that she worked at a boutique stockbroking firm, Mac Equity Partners. Lydia holds a Bachelor of PR and Marketing from the University of Notre Dame, a Diploma in Business Legal Studies.

REVIEW OF OPERATIONS

The loss of the Group for the financial year after providing for income tax amounted to \$2,079,197 (2018: loss of \$1,296,319).

Significant changes and events affecting the Group during the financial year have been:

The Company successfully listed on the ASX on 6 July 2018. The IPO raised \$5 million for the growth and development of the three subsidiaries of the Company. On the 5 November 2018 the Company dual listed on the Frankfurt Stock Exchange under the code "2WO".

The Company currently has four subsidiaries and continues to develop these business streams:

- a) Food for Reasons Marketing Pty Ltd – Building a globally-trusted food brand to market and distribute regeneratively-produced fresh and shelf-stable products to local and Asian markets
- b) Land for Reasons Pty Ltd – Facilitating long term relationships that own, invest and manage farmland in alignment with 4 Returns and conducting research into the production of industrial hemp
- c) Food for Reasons Protected Cropping Pty Ltd – Exploring opportunities with co-founding partners in protected cropping operations to grow premium vegetables
- d) Wide Open Hemp Pty Ltd – Exploring opportunities with partners in the research and development of hemp production in South Western Australia

Food Brand

On 27 November 2018, the company signed an agreement with Blackwood Valley Beef (BVB), to develop a range of co-branded, value added beef products and to investigate the feasibility of expanding regenerative

WIDE OPEN AGRICULTURE LIMITED

ABN 866 049 138 22

DIRECTOR'S REPORT

beef production at WOA's East Kulinbah property in WA's Wheatbelt. This agreement led to the launch of the Direct Distribution Platform in May 2019. The Group has established distribution and marketing channels to the food service industry in Western Australia for grass-fed, regeneratively grown beef and lamb.

The Company distributes grass-fed, regenerative Blackwood Valley Beef, Black Point Beef and Parron Dorper lamb to over 20 restaurants and food outlets throughout Perth and South Western Australia, including The Reveley, Vasse Felix, Cook and Mason, Bread in Common and Short Order Burger Company.

The Company is continuing to develop recipes for the release of three shelf-stable product lines including; plant-based milks, protein bars (meat-based) and lupin-based falafel mixes/burgers.

Farmland Portfolio

The strategy for the regenerative farmland management business is for the Group to manage West Australian farmland that will be farmed by proven farmers applying regenerative farming practices and based on the 4 returns framework.

The Group has established the East Kulinbah Project on land of 310 hectares. The company entered into a land purchase and lease agreement in July 2016. Fodder shrubs and perennial grasses have been established on the farmland to investigate the feasibility of these farming systems to support livestock breeding in the northern and eastern Wheatbelt.

On 20 August 2018, the Company entered into a 10-year Farmland Management Agreement (Agreement) with Netherlands-based investors Handover B.V. and Wheatbelt-based regenerative farmers. The farmland is a 1,787 hectare property in Western Australia's Shire of Kojonup and the Company will be responsible for financial reporting, monitoring and administration of the 4 Returns.

Hemp

In February 2019, the Company successfully lodged and was granted a licence to cultivate industrial hemp. A winter trial was conducted at the pilot shade-house located in Wagin Shire. On 6 May 2019, the Company joined a collaborative research program with HempGro (WA's largest industrial hemp co-operative) to conduct summer trials.

Protected Cropping Holdings

A Detailed Feasibility Study into a possible commercial shade house located in the northern Wheatbelt was completed in May 2019.

A farm layout was developed to enable the most productive and economically viable design. The recommended design was a ~2ha retractable roof shade house, designed to effectively enable Certified Organic Production.

The key limitation identified was the ability to attract and retain management personnel (Head Grower, Assistant Head Grower & Operations Manager) to the northern Wheatbelt site.

The Study found that identifying an experienced, co-founding partner (with access to key management personnel) would be essential to a commercial shade house project.

The Board has agreed to continue discussions with local and international horticultural companies to explore partnerships with experienced, co-founding partners.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the ongoing development of the farmland portfolio and food brand.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Launch of online sales and new brand 'Dirty Clean Food' on 22 August 2019

The Company launched the online sales portal (www.dirtycleanfood.com.au) for direct to consumer sales of grass-fed, regenerative beef and lamb. Future product lines including a plant-based milk, protein bars and lupin-based mixes/burgers are presented on the sales portal. The online portal also launched the new food brand, Dirty Clean Food.

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.

ENVIRONMENTAL REGULATION

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to the dividends.

The directors do not recommend the payment of a dividend.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

DIRECTORS' INTERESTS

As at the date of this report, the number of shares and options in the Company held by each Director of Wide Open Agriculture Limited and other key management personnel of the Group, including their personally-related entities, are as follows:

Specified Directors and Key Management Personnel	Shares	Listed Options	Unlisted Options
Ben Cole	7,566,668	-	750,000
Anthony Maslin	7,816,668	1,956,667	1,500,000
Stuart McAlpine	2,000,000	500,000	750,000
Hans Schut	515,000	-	750,000

OPTIONS

On 16 February 2018 at a General Meeting of Shareholder it was approved to issue Directors 3,750,000 unlisted options, exercisable at \$0.30, expiring on 30 June 2021.

On 22 February 2018 the directors approved to issue brokers and promoters with options in relation to the IPO. 5,000,000 unlisted options were issued with an exercise price of \$0.30.

The terms and conditions of the options granted to directors are as follows:

Director	Grant Date	Number Granted	Exercise Price	Fair Value	Expiry Date	Vesting Hurdle
Anthony Maslin	16/02/2018	1,500,000	30 cents	\$87,330	30/06/2021	Nil
Ben Cole	16/02/2018	750,000	30 cents	\$43,665	30/06/2021	Nil
Stuart McAlpine	16/02/2018	750,000	30 cents	\$43,665	30/06/2021	Nil
Johannes Schut	16/02/2018	750,000	30 cents	\$43,665	30/06/2021	Nil
		<u>3,750,000</u>		<u>\$218,325</u>		

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

The terms and conditions of the options granted to brokers and promoters are as follows:

Director	Grant Date	Number Granted	Exercise Price	Fair Value	Expiry Date	Vesting Hurdle
Sam Wright	22/02/2018	500,000	30 cents	\$29,000	30/06/2021	Nil
Lydia Fee	22/02/2018	500,000	30 cents	\$29,000	30/06/2021	Nil
Mac Equity Partners	22/02/2018	2,000,000	30 cents	\$164,000	31/12/2021	Nil
Euroz Limited	22/02/2018	1,000,000	30 cents	\$82,000	31/12/2021	Nil
Oracle Capital	22/02/2018	1,000,000	30 cents	\$82,000	31/12/2021	Nil
		5,000,000		\$386,000		

On 11 January 2019, 900,000 unlisted options were issued to employees for nil consideration under the employee incentive scheme. The options have an exercise price of \$0.25 and an expiry date of 8 January 2023.

Another 300,000 unlisted options were issued to employees on 5 February 2019 for nil consideration under the employee incentive scheme. The options have an exercise price of \$0.25 and an expiry date of 8 January 2023.

A further 300,000 unlisted options were issued to employees on 28 March 2019 for nil consideration under the employee incentive scheme. The options have an exercise price of \$0.25 and an expiry date of 8 January 2023.

During 1 April to 2 May 2019, the Company completed a pro-rata non-renounceable entitlement issue. A total of 5,605,766 Applications were received under the Offer raising \$56,057 for the Company.

As per Section 4.4 of the Prospectus, the Directors reserved the right within 3 months of the Closing Date, to issue the Shortfall at the discretion of the Directors on the same terms as being offered to Eligible Shareholders under the Prospectus. 1,687,591 Shortfall Options were subscribed for raising a further \$16,876 and the Options were issued on 24 July 2019.

The Company was successful in its application to have the Options listed on the Australian Securities Exchange and are currently trading under the ASX ticker "WOAO".

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

The terms and conditions of the options granted under the Employee Incentive Scheme are as follows:

Grant Date	Number Granted	Exercise Price	Risk Free Rate	Fair Value	Expiry Date	Vesting Hurdle
11/01/2019	900,000	25 cents	1.78%	\$12,427	08/01/2023	Nil
05/02/2019	300,000	25 cents	1.67%	\$8,986	08/01/2023	Nil
28/03/2019	300,000	25 cents	1.53%	\$24,504	08/01/2023	Continued service to 11 March 2020
	1,500,000			\$45,917		

The fair value of these options as shown in the above are based on the Black Scholes options pricing model.

On 1 April 2019 the Company lodged a Prospectus with ASX seeking to raise capital by way of a non-renounceable rights offer on the basis of 1 entitlement option for every 4 shares held at an issue price of 1 cent per entitlement option. The listed options have an exercise price of \$0.30 and an expiry date of 30 June 2021.

5,605,766 options were issued on 2 May 2019 raising \$56,057. 1,687,591 shortfall options were subscribed for raising a further \$16,876 and the options were issued on 24 July 2019.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING THE YEAR

Name	Board of Directors' Meetings		Remuneration Committee		Audit & Risk Committee	
	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend
Ben Cole	9	9	-	-	1	1
Anthony Maslin	9	9	1	1	-	-
James Mackintosh	4	4	1	1	-	-
Stuart McAlpine	9	9	1	1	1	1
Hans Schut	9	9	-	-	1	1

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

INDEMNIFICATION OF OFFICERS OR AUDITORS

The Company has paid premiums to insure the directors against liabilities for costs and expenses incurred by them defending legal proceedings arising from their conduct while acting in the capacity of directors of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a part 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.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

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

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

The reward framework is designed to promote superior performance and long-term commitment to the Group. The main principles of the policy are:

- Remuneration is reasonable and fair, taking into account the Group's obligations at law, the competitive market in which the Group operates and the relative size and scale of the Group's business;
- Individual reward should be linked to clearly specified performance targets which should be aligned to the Group's short term and long-term performance objectives; and
- Executives should be rewarded for both financial and non-financial performance

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee. The Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors receive share options and other incentives.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

Executive remuneration

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

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

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

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

Executives may receive their fixed remuneration in the form of cash, payable monthly.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. Executives are eligible to participate in a profit participation plan if deemed appropriate.

The long-term incentives ('LTI') include long service leave and share-based payments. Executives may participate in share option schemes with the prior approval of the shareholders.

Use of remuneration consultants

During the financial year ended 30 June 2019, no remuneration consultants were engaged.

Voting and comments made at the Company's last Annual General Meeting

The Company received no specific feedback on its Remuneration Report at the 2018 Annual General Meeting.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Wide Open Agriculture Limited:

- Anthony Maslin - Non-Executive Chairman
- Ben Cole - Managing Director
- Hans Schut - Non-Executive Director (appointed 1 December 2018)
- James Mackintosh – Non-Executive Director (Resigned 30 November 2018)
- Stuart McAlpine – Non-Executive

During the reporting year, James Mackintosh resigned from the board of directors. There have been no changes in the composition of the key management personnel since the end of the reporting period.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	
2019	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Anthony Maslin ¹	88,400	-	-	4,750	-	-	-	93,150
Hans Schut	15,000	-	-	-	-	-	-	15,000
James Mackintosh ²	-	-	-	-	-	-	-	-
Stuart McAlpine	30,000	-	-	2,850	-	-	-	32,850
<i>Executive Directors:</i>								
Ben Cole ¹	174,851	-	-	14,483	-	-	-	189,334
	308,251	-	-	22,083	-	-	-	330,334

¹During the period Anthony Maslin was paid amounts owing to him under his contract of \$38,400 and Ben Cole was paid amounts owing to him on his contract of \$21,200 in relation to the 2018 year for successfully completing WOA's IPO.

²Mr Mackintosh forfeited all Directors fees during the year.

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary and all executive officers of the Company. The contract of insurance prohibits disclosure of the nature of the liability. As such, the premium paid has not been allocated to individual directors.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	
2018	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Anthony Maslin ¹	-	-	-	3,648	-	-	87,330	90,978
Hans Schut	-	-	-	-	-	-	43,665	43,665
James Mackintosh	-	-	-	-	-	-	-	-
Stuart McAlpine	-	-	-	-	-	-	43,665	43,665
<i>Executive Directors:</i>								
Ben Cole ²	87,611	-	-	10,070	-	-	43,665	141,346
	87,611	-	-	13,718	-	-	218,325	319,654

¹During the period Anthony Maslin deferred amounts owing to him under his contract of \$38,400

²During the period Ben Cole deferred amounts owing to him under his contract of \$21,200

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary and all executive officers of the Company. The contract of insurance prohibits disclosure of the nature of the liability. As such, the premium paid has not been allocated to individual directors.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

	Proportion of remuneration performance based		Value of share-based payments as a proportion of remuneration	
	2019	2018	2019	2018
<i>Non-Executive Directors:</i>				
Anthony Maslin	-	-	-	96%
Hans Schut	-	-	-	100%
James Mackintosh	-	-	-	-
Stuart McAlpine	-	-	-	100%
 <i>Executive Directors:</i>				
Ben Cole	-	-	-	31%

Service agreements

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

Name:	Ben Cole
Title:	Managing Director
Agreement commenced:	6 July 2018 (Amended 29 August 2018)
Term of agreement:	Until terminated by either party
Details:	Base salary \$165,000 plus superannuation, to be reviewed annually by the Board of directors. 6 month termination notice by either party, LTI arrangements from time to time on terms to be decided by the Board and approved by shareholders.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

Share-based compensation

Issue of shares

No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options

No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Ben Cole	7,566,668	-	-	-	7,566,668
Anthony Maslin	7,816,668	-	-	-	7,816,668
Hans Schut	515,000	-	-	-	515,000
Stuart McAlpine	2,000,000	-	-	-	2,000,000
	<u>17,898,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,898,336</u>

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Ben Cole	750,000		-	-	750,000
Anthony Maslin	1,500,000	-	-	1,956,667	3,456,667
Hans Schut	750,000	-	-	-	750,000
Stuart McAlpine	750,000	-	-	500,000	1,250,000
	<u>3,750,000</u>	<u>-</u>	<u>-</u>	<u>2,456,667</u>	<u>6,206,667</u>

Other transactions with key management personnel and their related parties

During the financial year, the Group recognised rental income of \$9,000 during the period for the lease of farm land to McAlpine Farms and interest expense of \$5,429 relating to the purchase of Kulinbah East Block (refer to note 19). On 29 July 2016, the Group entered into a contract to acquire land from Buntine Holdings Pty Ltd with a deferred consideration element. The price of the land was \$323,879.13 and a deposit of \$50,000 paid on 29 July 2016 in the form of 1,000,000 shares at 0.05c each. A partial payment of \$150,000 was made on 13 August 2018. The remaining consideration is to be paid in full no later than 8 years from 23 March 2016. Interest is paid at the annual rate of the RBA base rate plus 2.5%. McAlpine Farms is owned by Stuart McAlpine, a current Director of the Group. All transactions were made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Group holds various agreements with a substantial shareholder, Commonland Foundation and its subsidiary 4 Returns Projects B.V. The Group repaid an IPO contingency loan arrangement with Commonland Foundation of \$100,000 on 27 July 2018. The total loan balance as at 30 June 2019 is \$817,295 (2018: \$917,295). Further non-refundable amounts of \$40,000 & \$115,000 were received and included in income.

End of remuneration report.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTOR'S REPORT

CORPORATE GOVERNANCE

The Consolidated Group's corporate governance policies and practices are available on the website <http://www.wideopenagriculture.com.au>

NON-AUDIT SERVICES

There were no non-audit services provided by the Group's auditors, Stantons International Audit & Consulting Pty Ltd, during the year ended 30 June 2019.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 55.

Signed for and on behalf of the board in accordance with a resolution of the directors:



Director: _____

Dr Ben Cole

Dated this 30th August 2019

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
Revenue and other Income	2	305,708	552,577
Cost of goods sold		(39,108)	(63,249)
Auditor's remuneration	18	(35,904)	(26,524)
Consultancy Fees		(358,105)	(209,786)
Depreciation Expense		(147,628)	(173,707)
Impairment Expense		(456,220)	(25,000)
Employee Benefits Cost		(734,968)	(540,959)
Share Based Payments		(28,013)	(218,325)
Other administration expenses	3	(584,959)	(591,346)
Loss for the year before income tax expense		<u>(2,079,197)</u>	<u>(1,296,319)</u>
Income tax expense	17	-	-
Loss after tax from continuing operations		<u>(2,079,197)</u>	<u>(1,296,319)</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total other comprehensive income for the year		-	-
Total comprehensive loss for the year		<u>(2,079,197)</u>	<u>(1,296,319)</u>
Total comprehensive loss attributable to members of the entity		<u>(2,079,197)</u>	<u>(1,296,319)</u>
Basic loss per share (cents)	23	(2.95)	(2.86)
Diluted loss per share (cents)		(2.95)	(2.86)

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

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,280,077	5,125,512
Trade and other receivables	5	46,623	11,541
Prepayments	6	31,214	10,475
Inventory	7	21,572	-
TOTAL CURRENT ASSETS		<u>3,379,486</u>	<u>5,147,528</u>
NON-CURRENT ASSETS			
Property Plant and Equipment	8	117,371	680,802
Other non-current assets	5	200,000	175,000
TOTAL NON-CURRENT ASSETS		<u>317,371</u>	<u>855,802</u>
TOTAL ASSETS		<u>3,696,857</u>	<u>6,003,330</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	169,061	361,806
Provisions	10	44,764	41,242
Borrowings and other financial liabilities	11	1,876	941,295
TOTAL CURRENT LIABILITIES		<u>215,701</u>	<u>1,344,343</u>
NON-CURRENT LIABILITIES			
Borrowings and other financial liabilities	11	817,295	-
TOTAL NON-CURRENT LIABILITIES		<u>817,295</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,032,996</u>	<u>1,344,343</u>
NET ASSETS		<u>2,663,861</u>	<u>4,658,987</u>
EQUITY			
Issued capital	12	6,666,094	6,666,094
Options	13	688,396	604,325
Accumulated losses	14	(4,690,629)	(2,611,432)
TOTAL EQUITY		<u>2,663,861</u>	<u>4,658,987</u>

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

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

2019	Attributable to equity holders of the Group			
	Issued Capital	Options Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
As at the beginning of the year	6,666,094	604,325	(2,611,432)	4,658,987
Loss for the year	-	-	(2,079,197)	(2,079,197)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(2,079,197)	(2,079,197)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued	-	-	-	-
Capital raising costs	-	-	-	-
Options issued – Share based payment	-	28,013	-	28,013
Options issued – Listed options	-	56,058	-	56,058
At 30 June 2019	6,666,094	688,396	(4,690,629)	2,663,861

2018	Attributable to equity holders of the Group			
	Issued Capital	Options Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
As at the beginning of the year	2,137,887	-	(1,315,113)	822,774
Loss for the year	-	-	(1,296,319)	(1,296,319)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(1,296,319)	(1,296,319)
Shares issued	5,036,000	-	-	5,036,000
Capital raising costs	(507,793)	-	-	(507,793)
Options issued – Share based payment	-	604,325	-	604,325
At 30 June 2018	6,666,094	604,325	(2,611,432)	4,658,987

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

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
Cash Flows from Operating Activities			
Payments to suppliers		(1,742,375)	(1,086,379)
Receipts from customers		83,098	261,851
Funds received from Commonland		-	325,000
Interest received		56,584	102
Net cash flows (used in) operating activities	16	(1,602,693)	(499,426)
Cash Flows from Investing Activities			
Payment for deposit on hand		(150,000)	-
Proceeds from sale of PPE		2,600	-
Payments for acquisition of PPE		(43,693)	(104,379)
Net cash (used in) investing activities		(191,093)	(104,379)
Cash Flows from Financing Activities			
Proceeds from issue of securities (net of issue costs)		(84,649)	4,823,480
(Repayment)/Proceeds of borrowings		(100,000)	485,889
Grant received		133,000	84,070
Net cash flows (used in)/generated from financing activities		(51,649)	5,393,439
Net (decrease)/increase in cash and cash equivalents		(1,845,435)	4,789,634
Cash and cash equivalents at the beginning of the financial year		5,125,512	335,878
Cash and cash equivalents at the end of the financial year	4	3,280,077	5,125,512

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

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1 Statement of Significant Accounting Policies

The financial statements cover Wide Open Agriculture Limited and its subsidiaries as a consolidated Group. Wide Open Agriculture Limited is a company limited by shares, incorporated and domiciled in Australia.

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 30^h August 2019 by the directors of the Group.

Significant Accounting Policies

New and Amended Accounting Standards Adopted by the Group

The Group has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* which became effective for financial reporting periods commencing on or after 1 January 2018.

AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has applied the new Standard effective from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any significant revenue from customers.

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 *Financial Instruments*, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the financial assets and determined the application of AASB 9 does not result in a change in the classification of the Group's financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

b. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2019 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

c. Going Concern

The consolidated financial statements of the Group have been prepared on a going concern basis which anticipates the ability of the entity to meet its obligations in the normal course of business.

At 30 June 2019, the Group had net assets of \$2,663,861, cash and cash equivalents of \$3,280,077 and net working capital of \$2,346,491. The Group had incurred a loss for the year ended 30 June 2019 of \$2,079,197.

The ability of the Group to continue as a going concern and meet its planned operational, administration and other commitments is dependent upon the Group raising further working capital and/or successfully operating its sales and distribution business. In the event that the Group is not successful in raising further equity or operating its sales and distribution business, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's non-current assets may be significantly less than book values.

d. Foreign Currency Translation

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

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

e. Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

From 1 July 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Comparative information

The Group has applied AASB 9 *Financial Instruments* retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

Until 30 June 2018, the group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

f. Property, plant & equipment

Land and buildings are shown at historical cost, unless stated otherwise, less subsequent depreciation and impairment for buildings. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. Items valued at cost under \$1,000 are immediately deducted.

The depreciation rate used for each class of depreciable asset is:

<i>Asset Class</i>	<i>Depreciation Rate</i>
Plant & Equipment	30% Diminishing Value
Capital Work-in-Progress	-
Land & Buildings	20% Diminishing Value

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Capital expenditure on assets under construction and not yet ready for use by the Group is reflected as a distinct item in capital works in progress until the period of completion. Upon completion, the asset is reclassified and shown as distinct item in fixed assets.

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

h. Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

i. 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. Overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

j. Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

k. Revenue and Other Income

Revenue arises mainly from sale of fresh produce, grants, and rentals over the farm property. To determine whether to recognise revenue, the Group follows a 5-step process:

- i. Identifying the contract with a customer
- ii. Identifying the performance obligations
- iii. Determining the transaction price
- iv. Allocating the transaction price to the performance obligations
- v. Recognising revenue when/as performance obligation(s) are satisfied.

The revenue excludes any amounts collected on behalf of third parties (GST).

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

I. Sale of goods

Revenue is recognised when control of the asset is transferred to the customer, generally, on delivery of the goods.

II. Interest revenue is recognised when received.

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

III. Grant revenue

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

I. Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the Group that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

m. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. No borrowing costs were recognised by the Group during the year.

n. Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

o. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

p. Goods and Services Tax (GST)

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

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

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

q. Income Tax

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

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted in Australia. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

r. Comparative Figures

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

s. Segment Reporting

The Group operates in the agriculture industry in Australia. For management purposes, the Group is organised into one main operating segment which involves sales and marketing of fresh produce in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

t. Share Based Payments

The Group makes payments to selected suppliers in the form of equity settled share based payments, where shares are issued in exchange for goods or services, the amounts of which are determined by reference to the value of the underlying goods or services exchanged.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

Share based payments to employees and directors are valued using the Black Scholes valuation model and expensed over the vesting period.

u. Financial Risk Management

The Group's activities expose it to a variety of financial risks; market risk, credit risk, liquidity risk and cash flow interest risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

(i) Market risk

Currently the Group is not exposed to any significant market risk.

(ii) Credit risk

The Group currently has no significant concentrations of credit risk.

(iii) Liquidity risk

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations.

(iv) Cash flow interest risk

The Group is not exposed to any significant interest risk. The shareholders loan is interest free with no fixed term of repayment.

(v) Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

v. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(i) Accounting for share based payments

The Group's accounting policy is stated in note t. The values of these share based payments are based on the market values of the goods or services acquired by the share based payments.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

(ii) Recoverability of Deferred Tax Assets

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in Australia. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. At balance date the net deferred tax assets are not recognised on the statement of financial position.

Additionally, future changes in tax laws in Australia could limit the ability of the Group to obtain tax deductions in future periods.

(iii) Impairment

An impairment loss is recognised for the amount by which the assets' or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

Determining the applicable discount rate also involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(iv) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

w. New accounting standards for application in future periods

AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.

This Standard supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB interpretation 115 *Operating Leases-Incentives* and AASB interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of lease*. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

The key features of AASB 16 are as follows:

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and Liabilities arising from the lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for leases.

Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

The Company estimates that the application of this standard will have no material impact.

Other standards not yet applicable

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

x. Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Group.

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

y. Agricultural produce and consumables on hand

Agricultural produce, such as harvested produce, is recognised on harvest and is stated at the lower of cost (determined on application of AASB 141 Agriculture) and net realisable value.

Consumables such as unspread fertiliser and other farming implements on hand at balance date are recognised at the lower of cost or net realisable value.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Accounting Policies continued

z. Biological assets

Recognition and Measurement

Biological assets are measured at their face value less costs to sell at each reporting date. The fair value is determined as the net present value of cashflows expected to be generated by these crops (including a risk adjustment factor). Where fair value cannot be measured reliably, biological assets are measured at cost.

Net increments and decrements in the fair value of the growing assets are recognised as income or expense in the statement of profit/loss and other comprehensive income determined as:

- The difference between the total fair value of the biological assets recognised at the beginning of the reporting period and the total fair value of the biological assets recognised at reporting date.
- Costs incurred in maintaining or enhancing the biological assets recognised at the beginning of the reporting period and the total fair value of the biological assets recognised at the reporting date.
- The market value of the produce picked during the reporting period is measured at their fair value less estimated costs to be incurred up until the time of picking. Market price is determined based on underlying market prices of the product.

All cost incurred in relation to the development of biological assets in the current financial year have been expensed to the Statement of profit and loss and other comprehensive income as the Group has not yet commercialised its operations.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2 Revenue and Other Income	2019	2018
	\$	\$
Fresh produce revenues	50,664	34,590
Rent received ¹	9,000	13,500
Grants received	133,000	105,070
Interest received	65,481	102
Other Revenue ²	47,563	399,315
Total Revenue	<u><u>305,708</u></u>	<u><u>552,577</u></u>

¹ Rent received is from McAlpine Farms which is owned by Stuart McAlpine (note 19).

² Other revenue comprises funds received from Commonland Foundation with no obligation to repay, treated as income.

3 Other Expenses

General Expenses	26,907	77,298
Advertising & Marketing	87,624	81,316
Company Secretary Fees	30,994	92,403
Vehicle Expenses	11,560	35,204
Foreign Currency Gains & Losses	989	47,492
Insurance	25,137	30,720
Interest Expense	7,789	18,692
Office Running Expenses	41,220	28,243
Legal	13,110	104,483
Materials & Supplies	5,547	5,471
Monitoring, Evaluating & Learning	19,370	-
Product Development & Commercialisation	30,568	-
Plants, Shrubs & Trees	10,937	-
Regulatory & Statutory Fees	62,211	11,727
Rent	13,612	15,818
Repairs & Maintenance	9,956	16,967
Staff Board Remuneration	133,767	-
Staffing Expenses	18,099	5,915
Subscriptions	5,459	2,343
Travel	30,103	17,254
	<u><u>584,959</u></u>	<u><u>591,346</u></u>

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4	Cash and Cash Equivalents	2019	2018
		\$	\$
	Cash at bank	680,077	4,470,623
	Cash on deposit	2,600,000	654,889
		3,280,077	5,125,512

5 Trade and Other Receivables

Current

Accounts receivable	26,667	8,166
GST receivable	-	3,273
Loans to Employees & Associates	-	99
Initial Equity issue	3	3
Accrued Revenue	8,898	-
Other Receivable	9,000	-
Bonds & Deposits	2,055	-
	46,623	11,541

Non-Current

Deposit (refer to note 19)	200,000	175,000
	200,000	175,000

At the reporting date none of the receivables were past due and impaired.

6 Prepayments

Workers Compensation	2,500	4,393
Rent	3,682	-
Interest	1,233	293
Insurances	19,581	3,744
Other	4,218	2,045
	31,214	10,475

7 Inventory

Inventory on hand	13,782	-
Goods in transit	7,790	-
Inventory	21,572	-

At the reporting date no inventory was impaired, damaged or obsolescent. Inventory held included good received, but not yet invoiced.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

8 Property, Plant and Equipment

2019

Net book value	Plant and equipment	Capital works in progress	Land and Buildings	Total
	\$	\$	\$	\$
At beginning of the year	130,961	-	549,841	680,802
Additions	25,599	973	17,122	43,694
Disposal	(3,278)	-	-	(3,278)
Impairment	-	-	(456,220)	(456,220)
Reclassification	-	-	-	-
Depreciation for the year	(36,884)	-	(110,743)	(147,627)
At 30 June 2019	<u>116,398</u>	<u>973</u>	<u>-</u>	<u>117,371</u>

2018

Net book value	Plant and equipment	Capital works in progress	Land and Buildings	Total
	\$	\$	\$	\$
At beginning of the year	147,965	-	652,834	800,799
Additions	23,919	9,479	20,843	54,241
Disposal	(531)	-	-	(531)
Reclassification	-	(9,479)	9,479	-
Depreciation for the year	(40,392)	-	(133,315)	(173,707)
At 30 June 2018	<u>130,961</u>	<u>-</u>	<u>549,841</u>	<u>680,802</u>

9 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade creditors	37,330	138,770
Accruals	81,304	190,253
Employee liabilities	24,155	12,823
Other	26,272	-
Share applications refundable	-	19,960
	<u>169,061</u>	<u>361,806</u>

At the reporting date none of the payables were past due. The normal credit terms from suppliers is 14 days.

10 Provisions

Current		
Annual Leave	44,764	41,242
	<u>44,764</u>	<u>41,242</u>

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

11	Borrowings and other financial liabilities	2019	2018
		\$	\$
	Current		
	Amounts received for capital raising	1,876	917,295
	Amounts received for share subscriptions	-	24,000
		1,876	941,295
	Non-Current		
	Shareholder loan	817,295	-

The shareholder loan comprises related loans that are interest free. Refer note 19 for further details.

12	Issued Capital		
	Ordinary Shares	6,666,094	7,173,887
	Capital Raising Costs	-	(507,793)
		6,666,094	6,666,094

There are no externally imposed capital requirements.

(a) Issued and Paid up capital

	2019	2019
	Number	\$
Issued Capital		
Ordinary shares (opening)	70,579,249	6,666,094
Fully paid issued shares	-	-
Less transaction costs	-	-
Total issued capital	70,579,249	6,666,094

(b) Movement in Ordinary shares on issue

	No. Of shares	Issue Price \$	Total \$
Opening Balance as at 1 July 2018	70,579,249		6,666,094
Share Issue	-	-	-
Less: Transaction Costs	-	-	-
Balance as at 30 June 2019	70,579,249		6,666,094
Opening Balance as at 1 July 2017	45,279,249		2,137,887
IPO Shares Issued	25,000,000	0.20	5,000,000
Share Issue (in lieu of services)	300,000	0.12	36,000
Less: Transaction Costs	-	-	(507,793)
Balance as at 30 June 2018	70,579,249		6,666,094

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13 Options	2019	2018
	\$	\$
Balance at beginning of year	604,325	-
Options issued	56,058	-
Options issued (share based payments to employees)	28,013	604,325
Balance at end of year	688,396	604,325

On 16 February 2018 at a General Meeting of Shareholder it was approved to issue Directors 3,750,000 unlisted options, exercisable at \$0.30, expiring on 30 June 2021.

On 22 February 2018 the directors approved to issue brokers and promoters with options in relation to the IPO. 5,000,000 unlisted options were issued with an exercise price of \$0.30.

On 11 January 2019, 900,000 unlisted options were issued to employees for nil consideration under the employee incentive scheme. The options have an exercise price of \$0.25 and an expiry date of 8 January 2023.

Another 300,000 unlisted options were issued to employees on 5 February 2019 for nil consideration under the employee incentive scheme. The options have an exercise price of \$0.25 and an expiry date of 8 January 2023.

A further 300,000 unlisted options were issued to employees on 28 March 2019 for nil consideration under the employee incentive scheme. The options have an exercise price of \$0.25 and an expiry date of 8 January 2023.

During 1 April to 2 May 2019, the Company completed a pro-rata non-renounceable entitlement issue. A total of 5,605,766 Applications were received under the Offer raising \$56,057 for the Company.

As per Section 4.4 of the Prospectus, the Directors reserved the right within 3 months of the Closing Date, to issue the Shortfall at the discretion of the Directors on the same terms as being offered to Eligible Shareholders under the Prospectus. 1,687,591 Shortfall Options were subscribed for raising a further \$16,876 and the Options were issued on 24 July 2019.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Set out below are summaries of options granted:

2019

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Expired/forfeited/other	Closing Balance
16/02/2018	30/06/2021	\$0.30	3,750,000	-	-	-	3,750,000
22/02/2018	30/06/2021	\$0.30	1,000,000	-	-	-	1,000,000
22/02/2018	31/12/2021	\$0.30	4,000,000	-	-	-	4,000,000
11/01/2019	08/01/2023	\$0.25	-	900,000	-	-	900,000
05/02/2019	08/01/2023	\$0.25	-	300,000	-	-	300,000
28/03/2019	08/01/2023	\$0.25	-	300,000	-	-	300,000
02/05/2019	30/06/2021	\$0.30	-	-	-	(5,605,766)	(5,605,766)
			8,750,000	1,500,000	-	(5,605,766)	4,644,234

2018

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Expired/forfeited/other	Closing Balance
16/02/2018	30/06/2021	\$0.30	-	3,750,000	-	-	3,750,000
22/02/2018	30/06/2021	\$0.30	-	1,000,000	-	-	1,000,000
22/02/2018	31/12/2021	\$0.30	-	4,000,000	-	-	4,000,000
			-	8,750,000	-	-	8,750,000

Options issued in the form of share based payments are valued using the Black-Scholes model. For options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Expiry Date	Share Price	Exercise Price	Volatility	Dividend Yield	Risk-free interest rate	Fair value at grant date
11/01/2019	08/01/2023	\$0.120	\$0.25	39.15%	0%	1.78%	\$0.0138
05/02/2019	08/01/2023	\$0.120	\$0.25	57.23%	0%	1.67%	\$0.0300
28/03/2019	08/01/2023	\$0.185	\$0.25	69.69%	0%	1.53%	\$0.0817

14 Accumulated Losses

	2019	2018
	\$	\$
Accumulated losses at the beginning of the financial year	(2,611,432)	(1,315,113)
Net loss attributable to members of the Group	(2,079,197)	(1,296,319)
Accumulated losses at the end of the financial year	<u>(4,690,629)</u>	<u>(2,611,432)</u>

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15 Financial Risk Management

Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Group's approach to capital management during the year.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 9 Financial Instruments as detailed in the accounting policies to these financial statements are as follows:

Financial Instruments	Floating Interest Rate \$	Fixed Interest Rate \$	Non-interest bearing \$	Total \$
2019				
Financial Assets				
Cash and cash equivalents	680,077	2,600,000	-	3,280,077
Trade and other receivables	-	-	44,568	44,568
Bonds and deposits	200,000	2,055	-	202,055
Total financial assets	<u>880,077</u>	<u>2,602,055</u>	<u>44,568</u>	<u>3,526,700</u>
Weighted average interest rate for the year	0.89%	1.56%	-	
Financial Liabilities				
Trade and other payables	-	-	169,060	169,060
Borrowings & other financial liabilities	-	-	819,171	819,171
Total financial liabilities	<u>-</u>	<u>-</u>	<u>988,231</u>	<u>988,231</u>

The fair value of the above financial instruments approximates their carrying values.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15 Financial Risk Management (cont.)

Financial Instruments	Floating Interest Rate \$	Fixed Interest Rate \$	Non-interest bearing \$	Total \$
2018				
Financial Assets				
Cash and cash equivalents	5,125,512	-	-	5,125,512
Trade and other receivables	-	-	11,541	11,541
Bonds and deposits	175,000	-	-	175,000
Total financial assets	<u>5,300,512</u>	<u>-</u>	<u>11,541</u>	<u>5,312,053</u>
Weighted average interest rate for the year	0.04%			
Financial Liabilities				
Trade and other payables	-	-	361,806	361,806
Borrowings & other financial liabilities	-	-	941,295	941,295
Total financial liabilities	<u>-</u>	<u>-</u>	<u>1,303,101</u>	<u>1,303,101</u>

Financial Risk Management Policies

The director's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

The Group does not have any derivative instruments at 30 June 2019.

Financial risk management objectives

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 those risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

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

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The board receives monthly financial reports through which it reviews 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 policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

a. *Market risk*

Market risk for the Group arises from the use of interest-bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate (see b. below)

b. *Interest rate risk management*

Interest rate risk arises on cash and cash equivalents and receivables from related parties. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end on the reporting period.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 30 June 2019 would decrease/increase by \$34,821.

c. *Foreign currency risk management*

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. At 30 June 2019, the Company has no cash denominated in other foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. As at 30 June 2019, the Group has not entered in any forward foreign exchange contracts.

d. *Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

e. *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

	Contractual cash flows					
	Carrying Amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years	Total contractual cash flows
	\$	\$	\$	\$	\$	\$
2019						
Trade and other payables	169,060	169,060	-	-	-	169,060
2018						
Trade and other payables	361,806	361,806	-	-	-	361,806

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

16 Reconciliation of Loss after Tax to Net Cash Outflow from Operating Activities

	2019	2018
	\$	\$
Loss after income tax	(2,079,197)	(1,296,319)
Grants received	(133,000)	(105,070)
Share Based Payments	28,013	218,325
Share Based Payments – Secretarial Fees	-	90,727
Loss on sale of PPE	678	-
Impairment	456,220	-
Depreciation	147,628	173,707
Changes in assets and liabilities		
(Decrease)/Increase in operating receivables	(55,821)	139,445
(Increase) in inventory	(21,572)	-
Increase in operating payables	50,836	259,901
Increase in provisions	3,522	19,858
Net cash (outflows) from operating activities	<u>(1,602,693)</u>	<u>(499,426)</u>

17 Income Tax Expense

Reconciliation between tax expense and pre-tax loss:

Accounting Profit/(Loss) before income tax	(2,079,197)	(1,296,319)
Tax at the domestic income tax rate of 27.5% (2018: 27.5%)	(571,779)	(356,488)
Temporary differences	81,875	19,576
Permanent differences	9,209	122,460
Adjustments for prior periods	(63,387)	
Income tax benefit not recognised	544,082	214,452
Recoupment of Prior period tax losses	-	-
Income tax expenses/(benefit)	<u>-</u>	<u>-</u>

Unrecognised temporary differences

Unused tax losses for which no deferred tax asset recognised	3,229,911	1,594,789
Temporary difference	184,046	71,184
Adjustment recognised for prior periods	(237,229)	-
Total	<u>3,176,728</u>	<u>1,665,973</u>
Potential benefit at 27.5%	<u>873,600</u>	<u>458,142</u>

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

18 Remuneration of Auditors	2019	2018
	\$	\$
Audit Services		
Stantons International – Audit of financial report	35,904	16,385
Non-Audit Services		
Stantons International – Investigating accountants report	-	10,139
	35,904	26,524

19 Commitments for expenditure and contingencies

On 29 July 2016, the Group entered into a contract to acquire land from Buntine Holdings Pty Ltd with a deferred consideration element. The details are:

- Price of the land was \$323,879.13
- Deposit of \$50,000 paid on 29 July 2016 in the form of 1,000,000 shares at 0.05c each
- Partial payment of \$150,000 was made on 13 August 2018
- Remaining consideration to be paid in full no later than 8 years from 23 March 2016
- Interest to be paid on this outstanding amount at the annual rate of the RBA base rate plus 2.5%. This has been treated as operational expense as Right of access and use.
- The land has not been accounted for in fixed assets

During the year, the Group renegotiated a loan agreement with Commonland, replacing the previous facility due within five years. The details are as follow:

- Loan amount \$817,295
- Repayment due in full 9 February 2026
- No interest payable

On 29 July 2019, the Group agreed to acquire a 25% minority interest in Farmfolk Services Pty Ltd (Agtalent) an online global talent marketplace for regenerative agriculture. Terms of the consideration include:

- Agtalent will receive a cash investment of \$150,000 AUD from WOA, payable in three tranches of \$50,000 AUD each (Aug 2019, Jan 2020 & July 2020)
- 20% equity will vest to WOA upon signing of this agreement and receipt of the first payment of \$50,000 AUD.
- Upon payment of the final \$50,000 tranche, 5% equity will be vested to WOA.
- All funding for this Aug 2019 and Jan 2020 (\$100,000) will be provided for by Commonland to WOA.

During the period, the Group ceased operations at the Pilot shade House and have impaired the building asset (\$456,220). The Board has agreed to continue discussions with local and international horticultural companies to explore partnerships with experienced, co-founding partners. Should these discussions not result in a commercial partnership the Group may be required to pay for the dismantling of the Pilot Shade House. Management and the Board have not yet engaged with contractors to determine the cost of such an activity.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

19 Commitments for expenditure and contingencies (cont.)

	2019	2018
	\$	\$
Not longer than one year	109,956	141,668
Longer than one year, but not longer than five years	173,879	477,703
Longer than five years	817,295	148,879
	1,101,130	768,250
 Operating Lease Commitment	 9,956	 -

Commitments for expenditure in 2019 within one year represent payment of funds to Agtalent for tranche one and two, and payment for office lease costs.

Commitments for expenditure in 2019 Longer than one year, but not longer than five years represent payment of funds to Agtalent for tranche three and deferred consideration of purchase of Kulinbah East Block from Buntine Holdings Pty Ltd

Commitments for expenditure in 2019 over five years represent Shareholder Loan from Commonland.

Operating lease commitments represent funds due for rent of the Williams Community Resource Centre, being \$208 per week for 12 weeks, commenced 1 April 2019, land from Kingdale Nominees Pty Ltd, being \$2,000 per annum, commencing 2 July 2019 and ending 30 June 2020, and rent of an office in Margaret River for \$210 per week for six months

Other than the interests disclosed above there were no further contingencies as at 30 June 2019.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

**20 Key Management Personnel
Remuneration**

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Group as a whole. The compensation made to directors and other members of key management personnel of the Group during the year ended 30 June 2019 is disclosed in the Remuneration Report included in the Directors' Report. A summary of the key management personnel remuneration is as follows.

	2019	2018
	\$	\$
Short-term employee benefits	308,251	87,611
Post-employment benefits	22,083	13,718
Long term benefits	-	-
Share based payments	-	218,325
	<hr/>	<hr/>
	330,334	319,654
	<hr/>	<hr/>

21 Related Party Transactions

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

On 29 July 2016, the Group entered into a contract to acquire land from Buntine Holdings Pty Ltd with a deferred consideration element. Refer to note 19 for further details.

The Group recognised rental income of \$9,000 (2018: \$13,500) during the period for the lease of farm land to McAlpine Farms and interest expense of \$5,429 relating to the purchase of Kulinbah East Block. McAlpine Farms is owned by Stuart McAlpine, a current Director of the Group.

During the year the Company renegotiated a loan agreement with Commonland, replacing the previous facility which was due within five years. The new loan for \$817,295 is payable in full on 9 February 2026 and no interest is payable.

The Group repaid an IPO contingency loan arrangement with Commonland Foundation of \$100,000 on 27 July 2018. The total loan balance as at 30 June 2019 is \$817,295 (2018: \$917,295). Further non-refundable amounts of \$40,000 and \$115,000 were received and included in income.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22 Equity Instruments Disclosure - Key Management Personnel

The Number of shares held by Directors and Key Management Personnel of the Group during the year ended 30 June 2019, including their personally related parties, is set out below:

2019					
Name	Balance at 1 July 2018	Granted as compensation	Issued as repayment of loan	Bought & (Sold)	Balance at 30 June 2019
Ben Cole	7,566,668	-	-	-	7,566,668
Anthony Maslin	7,816,668	-	-	-	7,816,668
Hans Schut	515,000	-	-	-	515,000
Stuart McAlpine	2,000,000	-	-	-	2,000,000
Total	17,898,336	-	-	-	17,898,336

The Number of shares held by Directors and Key Management Personnel of the Group during the year ended 30 June 2018, including their personally related parties, is set out below:

2018					
Name	Balance at 1 July 2017	Granted as compensation	Issued as repayment of loan	Bought & (Sold)	Balance at 30 June 2018
Ben Cole	7,566,668	-	-	-	7,566,668
Anthony Maslin	7,766,668	-	-	50,000	7,816,668
James Mackintosh	500,000	-	-	(500,000)	-
Hans Schut	500,000	-	-	15,000	515,000
Stuart McAlpine	2,000,000	-	-	-	2,000,000
Total	18,333,336	-	-	(435,000)	17,898,336

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

23	Basic and Diluted Earning/(Loss) per Share	2019	2018
		\$	\$
	Basic loss per share (cents)	(2.95)	(2.86)
	Diluted loss per share (cents)	(2.95)	(2.86)
	Loss attributable to members of Wide Open Agriculture Ltd	(2,079,197)	(1,296,319)
	Weighted average number of shares outstanding	70,579,249	45,348,564

The Group has no ordinary share capital in respect of potential ordinary shares which would lead to diluted earnings per share that shows an inferior view of the earnings per share. For this reason, the diluted earning/(loss) per share for the year ended 30 June 2019 is the same as basic earning/(loss) per share.

24 Significant Events After the Reporting Date

There have been various events which have arisen since 30 June 2019 which will significantly affect the operations of the Group and the state of affairs of the Group in subsequent financial years.

Launch of online sales and new brand 'Dirty Clean Food' on 19 August 2019

The Company launched the online sales portal (www.dirtycleanfood.com.au) for direct to consumer sales of grass-fed, regenerative beef and lamb. Future product lines including a plant-based milk, protein bars and lupin-based mixes/burgers are presented on the sales portal. The online portal also launched the new food brand, Dirty Clean Food.

Acquisition of minor interest in Farmfolk

On 29 July 2019, the Group agreed to acquire a 25% minority interest in Farmfolk Services Pty Ltd (Agtalent) an online global talent marketplace for regenerative agriculture.

24 Controlled Entities Disclosure

Controlled Entities

	Country of Incorporation	Ownership Interest	
		2019	2018
Parent Entity			
Wide Open Agriculture	Australia		
Subsidiaries			
Food for Reasons Marketing Pty Ltd	Australia	100%	100%
Land for Reasons Pty Ltd	Australia	100%	100%
Food for Reasons Protected Cropping Pty Ltd			
Wide Open Hemp Pty Ltd ¹	Australia	100%	-

¹Wide Open Hemp Pty Ltd incorporated on 1 May 2019

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

25 Parent Entity Disclosures

Wide Open Agriculture Pty Ltd	2019	2018
	\$'000	\$'000
Statement of Financial Position		
Current Assets	3,379,486	5,147,528
Non-Current Assets	317,371	855,802
Total Assets	<u>3,696,857</u>	<u>6,003,330</u>
Current Liabilities	215,701	1,344,343
Non-Current Liabilities	817,295	-
Total Liabilities	<u>1,032,996</u>	<u>1,344,343</u>
Net Assets	<u>2,663,861</u>	<u>4,658,987</u>
Equity		
Issued Capital	6,666,094	6,666,094
Share Option Reserve	688,396	604,325
Accumulated Losses	(4,690,629)	(2,611,432)
Total Equity	<u>2,663,861</u>	<u>4,658,987</u>
Loss attributable to equity holders of the company	<u>(2,079,197)</u>	<u>(1,296,319)</u>
Commitments		
Within one year	109,956	141,668
Between 12 months and 5 years	173,879	477,703
Longer than 5 years	817,295	148,879
	<u>1,101,130</u>	<u>768,250</u>
Operating Lease Commitments	<u>9,956</u>	<u>-</u>
Contingent Liabilities		

Responsibility for all contingent liabilities of the group are held by the parent entity. Please refer to Note 19 for further information.

For personal use only

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 19 to 50, are in accordance with the Corporations Act 2001 and:
 - (a) complying with Australian Accounting Standards (including the Australian accounting interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2019 and its performance for the year ended on that date;
2. In the director's 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.
3. The consolidated financial report also complies with International Reporting Standards.
4. The directors have been given the declarations required by s.295A of the Corporations Act

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

Director:



Dr Ben Cole

Dated this 30th day of August 2019

30 August 2019

Board of Directors
Wide Open Agriculture Limited
Suite 39, 1 Freshwater Parade,
CLAREMONT, WA 6010

Dear Directors

RE: WIDE OPEN AGRICULTURE 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 Wide Open Agriculture Limited.

As Audit Director for the audit of the financial statements of Wide Open Agriculture Limited for the year ended 30 June 2019, 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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

For personal use only

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WIDE OPEN AGRICULTURE LIMITED**

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Wide Open Agriculture Limited (the Company) and its subsidiaries (Group), which comprises the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion:

- (a) the financial report of Wide Open Agriculture 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 2019 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 financial report of the Group also complies with International Financial Reporting Standards as disclosed in note 1(a).

Basis for Opinion

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

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

Key Audit Matters

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

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

For personal use only

The following matter has been identified as a key audit matter.

Key Audit Matters	How the matter was addressed in the audit
<p>Going concern assumption (refer to Note 1(c))</p> <p>As referred to in Note 1(c) to the consolidated financial statements, the consolidated financial statements have been prepared on a going concern basis. At 30 June 2019 the Group had cash and cash equivalents totalling \$3,280,077, working capital of \$2,346,491 and had incurred a loss before tax for the year of \$2,079,197.</p> <p>The ability of the Company and Group to continue as going concerns is subject to the Group generating sufficient profits and cashflows from operations and/or future capital raisings.</p> <p>Going concern is considered a key audit matter due to the following:</p> <ul style="list-style-type: none"> i. future operations of the Group are dependent on the Group becoming profitable and generating sufficient cashflows to fund operations; and ii. The Group currently has been generating operating losses and negative operating cashflows. 	<p>Our audit procedures included, inter alia, the following:</p> <ul style="list-style-type: none"> i. Discussing with management the going concern basis of preparation of the financial report and the Group's future plans; ii. Reviewing the cashflow budgets prepared by management covering the period to June 2021 to obtain reasonable assurance that the Group will have the resources to continue operations; and iii. Assessing the financial statement disclosures to ensure going concern basis of preparation is appropriately disclosed.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, 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 opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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

For personal use only

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

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

For personal use only

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Wide Open Agriculture Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director
West Perth, Western Australia
30 August 2019

For personal use only

ADDITIONAL ASX INFORMATION SHAREHOLDER INFORMATION

Additional information required by the Australian Stock Exchange and not shown elsewhere in this report is as follows. The information is current as at **29 August 2019**:

a) Distribution of WOA Securities

Holding distribution

29-Aug-19					
Range	Securities	%	No. of holders	%	
100,001 and Over	61,553,115	87.21	49	10.19	
10,001 to 100,000	7,007,851	9.93	201	41.79	
5,001 to 10,000	1,880,717	2.66	193	40.12	
1,001 to 5,000	135,907	0.19	33	6.86	
1 to 1,000	1,659	0.00	5	1.04	
Total	70,579,249	100.00	481	100.00	
Unmarketable Parcels	72,840	0.19	26	5.44	

b) Distribution of WAO Securities

Holding distribution

29-Aug-19					
Range	Securities	%	No. of holders	%	
100,001 and Over	10,493,778	87.13	16	10.39	
10,001 to 100,000	1,162,509	9.65	38	24.68	
5,001 to 10,000	168,434	1.4	24	15.58	
1,001 to 5,000	213,251	1.77	69	44.81	
1 to 1,000	5,385	0.05	7	4.55	
Total	12,043,357	100	154	100.00	
Unmarketable Parcels	0	0.00	0	0.00	

c) Substantial holders

The names of substantial shareholders in accordance with section 671B of the Corporations Act 2001 are:

Holder	Number of Shares	%
FANJA PON & HANS RAVE	12,419,037	17.60
COMMONLAND FOUNDATION	12,000,000	17.00
ANTHONY MASLIN	7,666,668	10.86
BEN COLE	7,566,668	10.72

d) Twenty largest shareholders (ASX:WOA)

The name of the twenty largest holders of securities are:

Rank	Name	29 Aug 2019	%IC
1	FANJA PON & HANS RAVE	12,419,037	17.60
2	COMMONLAND FOUNDATION	12,000,000	17.00
3	MR ANTHONY ROBERT FREDERICK MASLIN & MS MARITE NORRIS	7,666,668	10.86
4	BEN COLE	7,566,668	10.72
5	MS ANNE-MARCHIEN CAMPEN, VAN & MR VINCENTIUS GERARDUS JOSEPHUS MARIA CAMPEN, VAN	2,000,000	2.83
5	STUART MCALPINE	2,000,000	2.83
6	HELMSHOEVE HOLDING B.V.	1,925,000	2.73
7	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	1,754,923	2.49
8	DUKETON CONSOLIDATED PTY LTD	1,668,667	2.36
9	ICE COLD INVESTMENTS PTY LTD	1,000,000	1.42
10	ARADIA VENTURES PTY LTD	975,000	1.38
11	MR BRYANT JAMES MCLARTY	964,135	1.37
12	FLOURISH SUPER PTY LTD	650,000	0.92
13	MONEX BOOM SECURITIES (HK) LTD	603,643	0.86
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	560,000	0.79
15	BDFC HOLDING BV	515,000	0.73
16	STRAIGHT LINES HOLDINGS PTY LTD	509,940	0.72
17	MERIWA STREET PTY LTD	500,000	0.71
17	NORMAN PATER	500,000	0.71
18	MR PHILIP ANDREW THICK	375,000	0.53
19	MR PETER ROBERT HAYS	268,938	0.38
20	FARLEIGH INVESTMENTS PTY LTD	252,293	0.36
	Total	56,674,912	80.30
	Balance of register	13,904,337	19.70
	Grand total	70,579,249	100.00

For personal use only

e) Twenty largest shareholders (ASX:WAOO)

The name of the twenty largest holders of securities are:

Rank	Name	29 Aug 2019	%IC
1	MR ANTHONY ROBERT FREDERICK MASLIN & MS MARITE NORRIS	3,416,667	28.37
2	STUART MCALPINE	1,250,000	10.38
3	BEN COLE	750,000	6.23
3	BDFC HOLDING BV	750,000	6.23
4	STRAIGHT LINES HOLDINGS PTY LTD	627,485	5.21
5	MISS LYDIA FEE	550,209	4.57
6	BLUE COASTERS PTY LTD	500,000	4.15
6	JINDABYNE CAPITAL PTY LTD	500,000	4.15
6	MR IAN MICHAEL PATERSON PARKER & MRS CATRIONA SYLVIA PARKER	500,000	4.15
7	DUKETON CONSOLIDATED PTY LTD	417,167	3.46
8	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	350,000	2.91
9	ICE COLD INVESTMENTS PTY LTD	250,000	2.08
10	ARADIA VENTURES PTY LTD	243,750	2.02
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	137,500	1.14
12	MONEX BOOM SECURITIES (HK) LTD	126,000	1.05
13	MERIWA STREET PTY LTD	125,000	1.04
14	MR PHILIP ANDREW THICK	93,750	0.78
15	MR WILLIAM PERCIVAL REYNOLDS	87,500	0.73
16	FARLEIGH INVESTMENTS PTY LTD	63,074	0.52
17	XEEN PTY LTD	62,500	0.52
18	MATTHEW JOYNER	60,417	0.50
19	SPRINGBOK CAPITAL PTY LTD	60,250	0.50
20	TANTINI PTY LTD	51,760	0.43
	Total	10,973,029	91.11
	Balance of register	1,070,328	8.89
	Grand total	12,043,357	100.00

For personal use only