ADVANTA SEEDS PTY LTD

ABN 87 010 933 061

Annual report for the year ended 31 March 2018

Advanta Seeds Pty Ltd

ABN 87 010 933 061

For the Year Ended 31 March 2018

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Advanta Seeds Pty Ltd

ABN 87 010 933 061
Director's Report
For the Year Ended 31 March 2018

Your Directors submit their report for the year ended 31 March 2018:

Directors
The names of the Directors of the company in office during the financial year and until the date of this report are as follows:

Mr Barry Croker
Mr Matthew McLoughlin
Mr Nick Gardner
Mr Bhupen Dubey
Mr Jimmy Erach Dadrewalla (appointed 14 September 2017)

Principal Activities
The principal activities of the company during the year were the development and marketing of hybrid, proprietary crop, pasture planting seeds and added value products, both domestically and internationally.

There has been no significant change in activities during the period.

Result
The net profit after tax of the company for the year ended 31 March 2018 was $3,241,678 [2017: $3,280,190 loss after tax]. The operating profit before tax was $4,648,397 [2017: $4,582,276 loss before tax].

Dividends
Dividends were not paid or declared during the year [2017: $NIL].

Review of Operations

The financial year ended 31 March 2018 was much improved on the prior year with domestic sales up from $35,251,767 to $41,272,708. Much of this rebound was on the back of grain sorghum sales which saw rotation back into the crop from substitutes like pulses from the prior year. A marked reduction in commodity prices of chickpeas and other pulses crops have driven this substitution of sales. Forage sorghum sales remained flat domestically year on year with corn deteriorating slowly based on poor rainfall in key growing areas. Canola has also lead a resurgence from prior year production issues which plagued last years crop.

The company continued to invest heavily into research and development with $2,905,565 (including employment expenses) being spent during the year [2017: $2,849,677].

Significant Changes In The State of Affairs
There were no significant changes in the state of affairs of the company that occurred during the year ended 31 March 2018 not otherwise disclosed in this report or in the financial report.

Events Subsequent to Balance Date
There have been no events that occurred subsequent to the end of the financial year which would materially affect the numbers contained in this financial report.

Likely Developments and Results
Information on likely developments and future results have been omitted by the Directors as in the opinion of the Directors, on reasonable grounds, disclosure of such information may unreasonably prejudice the interest of the company.

Indemnification and Insurance of Directors and Officers
During the year the company maintained a policy of Directors and Officers liability for Directors and Officers of the company incurred as a result of action taken during the discharge of the Directors' and Officers' duties, other than those precluded by law. Disclosure of the nature of the liability and amount of the premium paid under an insurance contract is prohibited from disclosure in accordance with the contract.

Corporate Information
Advanta Seeds Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia. The registered office is 268 Anzac Avenue, Toowoomba 4350. The ultimate holding company is Advanta Holdings BV, which is owned by United Phosphorus Limited.

The entity employed 85 people as of 31 March 2018 [2017: 86 employees].

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, MGI Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify MGI Audit Pty Ltd during or since the financial year.

Auditor's Independence Declaration

The Directors have received an Auditor's Independence Declaration from MGI, a copy of which is attached to this Directors' Report.

Signed in accordance with a resolution of Directors:

N.Gardner - Director	M.McLoughlin - Director
Toowoomba	Toowoomba
Date: 13/04/2018	Date: 13/04/2018

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ADVANTA SEEDS PTY LTD**

As lead auditor for the audit of Advanta Seeds Pty Ltd for the year ended 31 March 2018, I declare that to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MGI Audit Pty Ltd

S C Greene
Director

Brisbane

13 April 2018

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ADVANTA SEEDS PTY LTD

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Advanta Seeds Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Advanta Seeds Pty Ltd is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the financial position of the Company as at 31 March 2018 and of its financial performance for the year then ended in accordance with the accounting policies described in note 1; and

b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Responsibilities of the Directors for the Financial Report (Continued)

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.

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

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

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.

MGI Audit Pty Ltd

S C Greene
Director

Brisbane

13 April 2018

Advanta Seeds Pty Ltd

ABN 87 010 933 061

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2018

	Note	2018 $	2017 $
Revenue	3	50,553,390	37,875,712
Cost of sales		21,757,882	10,362,060
Gross profit		**28,795,508**	**27,513,652**
Other Income	3	3,612,603	3,104,009
Employee Related Cost		9,979,685	10,829,784
Travel & Conveyance		1,471,213	1,729,948
Repairs & Maintenance		897,446	788,200
Rent		1,534,636	1,378,971
Communication		224,635	253,384
Rate & Taxes		362,020	367,781
Finance costs		811,203	1,891,663
Legal & Professional Fees		385,843	721,929
Insurance		1,176,285	1,218,295
Advertisement & Sales Promotion		1,212,287	1,050,902
Country R&D Cost		1,346,493	1,590,436
Warehousing		367,495	408,406
Management Fee		989,741	3,500,000
Stock Written Off		3,031,330	5,656,602
Other expenses		1,790,974	2,540,302
Bad Debts		-	412
Miscellaneous Expenses	4	1,560,907	660,220
Depreciation		574,817	612,702
Amortisation		42,704	-
Profit (loss) before tax		**4,648,397**	**(4,582,276)**
Income tax (expense)/benefit	19	(1,406,719)	1,302,086
Total comprehensive income/(loss) for the year		**3,241,678**	**(3,280,190)**

Advanta Seeds Pty Ltd

ABN 87 010 933 061
Statement of Financial Position
As at 31 March 2018

	Note	2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	2	3,973,769	4,598,334
Trade and other receivables	5	30,618,731	15,427,860
Inventories	6	11,457,563	21,665,981
Current tax asset		-	213,075
Total current assets		46,050,063	41,905,250
Non-current assets			
Property, plant and equipment	7	9,500,419	8,893,546
Intangible assets	8	483,282	430,595
Investments in Joint Venture	9	12,457,854	12,457,854
Loan receivable	10	11,787,547	11,787,547
Other non-current assets	11	-	3,653,017
Total non-current assets		34,229,102	37,222,559
Total assets		**80,279,165**	**79,127,809**
Liabilities			
Current Liabilities			
Trade and other payables	12	18,057,163	17,087,421
Interest bearing liabilities	13	7,825,255	13,821,413
Derivatives	14	332,975	131,609
Current tax liability		464,840	-
Provisions	15	6,520,263	4,323,564
Total current liabilities		33,200,496	35,364,007
Non-current Liabilities			
Deferred tax liability	20	231,251	151,373
Provisions - non-current	16	229,783	236,472
Total non-current liabilities		461,034	387,845
Total liabilities		**33,661,530**	**35,751,852**
Net assets		**46,617,635**	**43,375,957**
Equity			
Issued capital	17	5,000,000	5,000,000
Retained earnings		37,707,228	34,465,550
Asset Revaluation Reserve		3,910,407	3,910,407
Total equity		**46,617,635**	**43,375,957**

Advanta Seeds Pty Ltd

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Statement of Changes in Equity

For the Year Ended 31 March 2018

	Ordinary shares $	Retained earings $	Asset Revaluation Reserve $	Total $
Balance at 1 April 2016	5,000,000	37,745,740	3,910,407	46,656,147
Loss for the year		(3,280,190)		(3,280,190)
Balance at 31 March 2017	**5,000,000**	**34,465,550**	**3,910,407**	**43,375,957**

	Ordinary shares $	Retained earings $	Asset Revaluation Reserve $	Total $
Balance at 1 April 2017	5,000,000	34,465,550	3,910,407	43,375,957
Profit for the year	-	3,241,678	-	3,241,678
Balance at 31 March 2018	**5,000,000**	**37,707,228**	**3,910,407**	**46,617,635**

Advanta Seeds Pty Ltd

ABN 87 010 933 061
Statement of Cash Flows
For the Year Ended 31 March 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Receipts from customers		47,405,731	52,545,713
Payments to suppliers and employees		(43,859,892)	(44,513,717)
Finance costs		(911,043)	(1,894,669)
Income taxes paid		(648,926)	(2,868,525)
Net cash generated by/(used in) operating activities	2	1,985,870	3,268,802
Cash flows from investing activities			
Payments for property, plant and equipment		(1,277,081)	(421,811)
Interest received from loans to related entities		4,649,655	1,121,707
Dividends received		13,149	16,760
Net cash generated by/(used in) investing activities		3,385,723	716,656
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings		(82,079)	(14,922,264)
Loans received from/(repaid to) related entities		(5,914,079)	6,831,413
Net cash generated by/(used in) financing activities		(5,996,158)	(8,090,851)
Net cash increase/(decrease) in cash and cash equivalents		(624,565)	(4,105,393)
Cash and equivalents at the beginning of the year		4,598,334	8,703,727
Cash and cash equivalents at end of the year		**3,973,769**	**4,598,334**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Statement of Compliance

The requirement of Accounting Standards issued by the Australian Accounting Standards Board and other professional reporting requirements do not have mandatory applicability to Advanta Seeds Pty Ltd, (the 'Company'), in relation to the year ended 31 March 2018 because the Directors have determined that the Company is not a reporting entity.

However, the Directors have determined that in order for the financial report to give a true and fair view of the Company's results of operations and state of affairs, the requirements of Australian Accounting Standards and other professional reporting requirements relating to the measurement of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the Directors have prepared the financial report in accordance with Australian Accounting Standards and other professional requirements except for the presentation and disclosure requirements of the following standards:

AASB 3: Business Combinations
AASB 7: Financial Instruments: Disclosures
AASB 10: Consolidated Financial Statements
AASB 11: Joint Arrangements
AASB 12: Disclosure of Interests in Other Entities
AASB 13: Fair Value Measurement
AASB 119: Employee benefits
AASB 127: Consolidated and Separate Financial Statements
AASB 132: Financial Instruments: Disclosure and Presentation
AASB 136: Impairment of Assets
AASB 141: Agriculture

(i) Changes in accounting policies, new and amended standards and interpretations
The accounting policies adopted are consistent with those of the previous financial year.

(ii) Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 31 March 2018.

The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Company) and interpretations.

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

– AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018). The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

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

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

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

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

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

To achieve this objective, AASB 15 provides the following five-step process:
- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.
Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).
When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.
The main changes introduced by the new Standard are as follows:
- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.
Although the directors anticipate that the adoption of AASB 16 may impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (cont.)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Property, Plant and Equipment

Buildings and plant & equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Land is measured at fair value based on Directors' valuation less any impairment losses recognised after the date of the revaluation. The directors utilise independent valuer reports to support the adopted fair values. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Depreciation

Items of property, plant and equipment, including buildings but excluding freehold land are depreciated over their estimated useful lives using the straight line method of depreciation. Major depreciation periods are:

	2018	**2017**
Freehold buildings	20 years	20 years
Plant and equipment	3 - 10 years	3 - 10 years

Assets are first depreciated in the month following completion of acquisition. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible Assets

Software Development

Costs incurred in developing software systems and costs incurred in acquiring software that will contribute to future financial benefits through revenue generation and/or cost reduction are capitalised. Costs capitalised include external direct costs of materials and services and direct payroll and payroll related costs of employee's time spent on projects. Software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Advanta Seeds has an intention and ability to use the asset.

Expenditure associated with the research phase of a project is expensed in the year it is incurred.

Software is amortised over a period of 5 years on a straight line basis.

Impairment

The carrying values of plant & equipment & buildings are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment (cont.)

The recoverable amount of plant and equipment & buildings is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. These write-downs are included in profit or loss.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Income Tax

The income tax income/(expense) for the year comprises current income tax income/(expense) and deferred tax income/(expense). Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting 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 reporting 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.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Deterioration of Inventory

Where inventory is excess to requirements or low quality, it is written down to net realisable value. In determining this, the company takes into account the product life cycle and budgeted sales for the next financial year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are carried at the lower of cost and net realisable value. Costs are assigned on a standard cost basis. Standards are reviewed regularly and adjusted for significant variances.

Applicable fixed and variable manufacturing overhead costs are included in the cost of finished goods and work-in-progress inventories.

Employee Benefits

Wages, Salaries and Annual Leave

The provisions for employee entitlements to wages, salaries and annual leave represent the amount which the economic entity has a present obligation to pay resulting from employees' services provided up to the end of the financial year. The provision has been calculated at nominal amounts based on remuneration rates which are expected to be paid when the liability is settled and includes related on-costs.

Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the end of the financial year. Related on-costs have also been included in the liability.

Superannuation

The Company contributes to an employee superannuation fund in addition to contributions made by employees. Contributions are charged against income as they are made. The members receive full balance of their account. The company is under no legal obligation to make up any shortfall in the fund's assets to meet payments due to employees.

Foreign Currency

Translation

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of transaction. At the end of the financial year, amounts payable to and by the company in foreign currencies are translated to Australian currency at rates of exchange current on that date. Resulting exchange differences are brought to account in determining the profit or loss for the year.

Foreign exchange contracts are entered into to manage the risk of foreign currency fluctuations. Company policy is not to trade in derivatives. The terms of foreign currency contracts are generally not for more than 12 months.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Royalty revenue

Royalty revenue is recognised when control of a right to receive consideration for achieving the provision of technology services has been attained.

(iii) Dividend revenue

Dividend revenue is recognised when the Company's right to receive the payment is established.

(iv) Interest revenue

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

Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Capital Management Policy

For the purpose of the company’s capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the company. The primary objective of the company’s capital management is to maximise the shareholder value.

In order to achieve this overall objective, the company’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Cash and Cash Equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Company's investment in a joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost.

The Company has elected under AASB 128 (Investments in Associates and Joint Arrangements), paragraph Aus 17.2 to apply for an exemption in applying the equity method of accounting for the investment in the joint venture arrangement.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Significant Judgement and Estimates

Provision for impairment of Receivables

An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, the amount of the allowance is recognised in the income statement.

Inventory Provision

The Inventory Provision is based on estimates of low quality and excess stock. Low quality stock is calculated based on testing done by the quality control department. Seed is reviewed on a per batch basis that factors in, but is not limited to, multiple aspects including germination, purity and vigour; in the context of quantity and suitability to sell seeds where performance is suitable. Excess stock is calculated by comparing future sales and stock on hand. This is reviewed by the quality control department, the sales managers and the managing director.

Longreach Impairment Calculation

Each year management prepares a value in use calculation for its investment in Longreach Plant Breeders to determine if there is impairment evident. In preparing the calculation management makes certain assumptions in regard to the future financial performance of the entity. These assumptions include discount rates, compliance rates, yield per hectare and the number of wheat varieties released to market. In making these estimates management has relied upon its own internal experts' historical experience and its best estimate of the future financial performance of the company and the market within which it operates.

Advanta Seeds Pty Ltd

ABN 87 010 933 061
Notes to the Financial Statements
For the Year Ended 31 March 2018

2. Cash and cash equivalents

	2018 $	2017 $
Cash on hand	302	655
Cash at bank	3,973,467	4,597,679
	3,973,769	4,598,334

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2018 $	2017 $
Cash and cash equivalents	3,973,769	4,598,334

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

	2018 $	2017 $
Cash flows from operating activities		
Profit/(loss) for the year after tax	3,241,678	(3,280,190)
Adjustments for:		
Amortisation	42,704	-
Depreciation	574,817	612,702
Dividends	(13,149)	(16,760)
Interest income	(1,087,728)	(1,118,806)
Gain on sale of assets	-	(22,051)
Other expenses	-	7,245
Changes in assets and liabilities:		
(Increase)/Decrease in Trade and other receivables	(15,099,781)	6,164,212
(Increase)/Decrease in Inventories	10,208,418	2,881,728
(Increase)/Decrease in Other current assets	-	-
Increase/(Decrease) in Deferred Tax Liability	79,878	(1,187,165)
Increase/(Decrease) in Trade and other payables	969,742	3,060,505
Increase/(Decrease) in Other current liabilities	-	-
Increase/(Decrease) in Provisions	2,196,699	(778,983)
Increase/(Decrease) in Provisions - non-current	(6,689)	(70,692)
Increase/(Decrease) in Current tax liability/asset	677,915	(2,983,446)
Increase/(Decrease) in Derivatives	201,366	503
Net cash generated by/(used in) operating activities	1,985,870	3,268,802

(c) Reconciliation of net cash flows from financing activities

	2018 $	2017 $
Cash flows from financing activities		
Proceeds/(repayments) from borrowings		
Net debt at 1 April	(745,234)	(15,667,498)
Cash flows	82,079	14,922,264
Net debt at 31 March	(663,155)	(745,234)
Monies lent/(repaid) from related entities		
Net debt at 1 April	(13,076,179)	(6,244,766)
Cash flows	5,914,079	(6,831,413)
Net debt at 31 March	(7,162,100)	(13,076,179)
Total net debt	(7,825,255)	(13,821,413)

3. Revenue and other income

	2018 $	2017 $
Revenue		
Revenue from the sale of goods - unrelated	48,063,611	35,891,370
Revenue from the sale of goods - related	2,489,779	1,984,342
	50,553,390	37,875,712
Other Income		
Royalty income	2,474,445	1,897,176
Interest income	1,087,728	1,118,806
Dividends	13,149	16,760
Gain on sale of assets	-	22,051
Other revenue	37,281	49,216
	3,612,603	3,104,009

4. Miscellaneous Expenses

	2018 $	2017 $
Canola Claims	721,043	-
Legal and Public Relations Costs	839,864	-
Redundancies	-	660,220
	1,560,907	660,220

In reference to canola claims, canola seed was sold that suffered from poor emergence when planted by the growers. Indemnity was sought from the Company's Insurer Vero, under the Seedsman's' Errors and Omissions insurance policy. The net proceeds of the insurance claim after the excess are of an unusual nature in the course of normal business operations.

During the 2017 year, the company had three ongoing separate legal claims against them in relation to the quality of seed provided. These claims are not typically part of the ordinary operations of the business. Refer to Note 25 regarding Contingent Liability.

The redundancies that were paid in 2016 were an irregular expense in the business which occurred as part of a restructure.

5. Trade and other receivables

	2018 $	2017 $
Trade Receivables		
Trade receivables	25,708,920	10,225,234
	25,708,920	10,225,234
Other Receivables		
Deposits	16,993	17,462
Interest Receivable	91,090	-
Other receivables	57,909	147,029
Prepayments	1,192,770	1,214,215
Receivables - related parties	2,592,963	2,757,570
Royalty receivable	417,463	718,546
Sundry current assets	540,623	347,804
	30,618,731	**15,427,860**

6. Inventories

	2018 $	2017 $
Finished goods at cost	10,089,946	12,967,863
Provision for stock obsolescence	(3,033,885)	(1,092,031)
Raw material at cost	3,051,303	7,162,924
Work In Progress	1,350,199	2,627,225
	11,457,563	**21,665,981**

7. Property, plant and equipment

	2018 $	2017 $
Freehold Land		
At valuation	6,526,871	6,526,871
Total freehold land	6,526,871	6,526,871
Buildings		
At cost	1,502,678	1,418,796
Accumulated depreciation	(1,240,053)	(1,200,193)
Total buildings	262,625	218,603
Leasehold Improvements		
At cost	25,474	25,474
Accumulated depreciation	(23,530)	(23,530)
Total leasehold improvements	1,944	1,944
Plant and equipment		
At cost	14,325,433	13,405,233
Accumulated depreciation	(11,987,724)	(11,603,209)
Total plant and equipment	2,337,709	1,802,024
Furniture, fittings and fixtures		
At cost	140,934	139,248
Accumulated depreciation	(108,971)	(99,922)
Total furniture, fittings and fixtures	31,963	39,326
Office Equipment		
At cost	217,590	205,199
Accumulated depreciation	(149,413)	(132,875)
Total office equipment	68,177	72,324
Capital WIP	271,130	232,454
Total property, plant and equipment	**9,500,419**	**8,893,546**

a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	2018 $	**2017** $
Freehold Land		
Balance as at beginning of year	6,526,871	6,526,871
Revaluation	-	-
Additions	-	-
Depreciation expense	-	-
Balance at 31 March 2018	6,526,871	6,526,871
Buildings		
Balance as at beginning of year	218,602	256,310
Additions	83,882	-
Depreciation expense	(39,860)	(37,708)
Balance at 31 March 2018	262,625	218,602
Leasehold Improvements		
Balance as at beginning of year	1,944	1,944
Additions	-	-
Depreciation expense	-	-
Balance at 31 March 2018	1,944	1,944
Plant and equipment		
Balance as at beginning of year	1,802,023	2,054,288
Additions	934,255	197,072
Depreciation expense	(398,570)	(442,125)
Disposal	-	(131,747)
Depreciation on disposal	-	124,536
Balance at 31 March 2018	2,337,709	1,802,023
Furniture, fittings and fixtures		
Balance as at beginning of year	39,326	50,643
Additions	1,844	-
Depreciation expense	(9,206)	(11,317)
Disposal	-	-
Balance at 31 March 2018	31,964	39,326
Office Equipment		
Balance as at beginning of year	72,324	77,276
Additions	12,391	11,609
Depreciation expense	(16,538)	(16,527)
Disposal	-	(12,828)
Depreciation on disposal	-	12,794
Balance at 31 March 2018	68,177	72,324
Capital WIP		
Balance as at beginning of year	232,454	30,442
Additions/Transfers	38,676	202,012
Balance at 31 March 2018	271,130	232,454

8. Intangible assets

	2018 $	2017 $
At cost	756,457	535,621
Accumulated amortisation	(273,175)	(105,026)
	483,282	**430,595**
Software		
Carrying amount at beginning	401,470	503,200
Additions (including transfers)	204,552	3,297
Disposals (including transfers)	-	-
Depreciation	(122,741)	(105,026)
	483,282	401,470
Seed Treatment Methodology		
Carrying amount at beginning	29,125	-
Additions (including transfers)	1,481	29,125
Disposals (including transfers)	-	-
Depreciation	(30,606)	-
	-	29,125

9. Investment in Joint Venture

	2018 $	2017 $
Investment in Longreach Plant Breeders Management Pty Ltd	12,457,854	12,457,854

The directors have determined to reclassify the investment in Longreach Plant Breeders Management Pty Ltd from a subsidiary to a joint venture effective from 1 April 2016, being the earliest date of the comparative period of this financial report.

The directors have also determined to apply the exemption for equity accounting under recognition and measure of the joint venture, permitted by AASB 128, which has resulted in the investment continuing to be recognised at initial cost and reviewed at least annually for impairment indicators.

The reclassification therefore has only had the impact of the change in the type of investment, and no changes to the valuation of the investment has resulted in the current or prior financial year.

10. Loan Receivable

	2018 $	2017 $
Loan receivable - LongReach	11,787,547	11,787,547

There are two tranches to the loan to LongReach, one for $2,000,650 which has interest charged at 11% per annum, the second is for $9,786,897 which has interest charged at 8.71% per annum. The loans are repayable within 12 months, or at the written extension request of either party.

11. Other non-current assets

	2018 $	2017 $
Interest receivable - LongReach	-	3,653,017

12. Trade and other payables

	2018 $	2017 $
Unsecured liabilities		
Trade payables	5,806,794	2,865,251
Other payables	7,046,813	7,871,884
Related party payables	4,613,569	5,674,996
Accrued expenses	589,987	675,290
	18,057,163	**17,087,421**

13. Interest bearing liabilities

	2018 $	2017 $
Unsecured - Premium Funding	601,825	656,670
Unsecured - Asset Funding	61,330	88,564
Related party loans	7,162,100	13,076,179
	7,825,255	**13,821,413**

Premium Funding for insurance is unsecured and payable over 10 months, interest is charged at 3.87% per annum.

Premium Funding for fixed assets is unsecured and payable over 7 years, interest is charged at 8.18% per annum.

Related party loans are held with Advanta Holdings BV, interest is charged at 3.67% per annum. The loan is in USD and is repayable within 24 months of the original drawdown.

14. Derivatives

	2018 $	2017 $
Derivatives	332,975	131,609

15. Provisions

	2018 $	2017 $
Employee entitlements - current	1,958,577	1,256,423
Provision for rebates & discounts	4,561,686	3,067,141
	6,520,263	**4,323,564**

16. Provisions - non-current

	2018 $	2017 $
Employee entitlements - non-current	229,783	236,472
	229,783	**236,472**

17. Issued capital

	2018 $	2017 $
Issued and paid up		
5,000,000 [2017: 5,000,000] ordinary shares fully paid at $1 each	5,000,000	5,000,000
	5,000,000	**5,000,000**

The total number of shares in Advanta Seeds Pty Ltd is 5,000,000.

18. Earning Per Share

	2018 $	2017 $
Profit / (Loss) after taxation as per Profit & Loss Account	3,241,678	(3,280,190)
Weighted average number of Equity Shares Outstanding	5,000,000	5,000,000
Basic Earnings per share (Face Value AUD per share)	0.65	(0.66)

19. Income taxes

	2018 $	2017 $
Tax expenses/(benefit) comprise:		
Current tax expense	1,326,840	(1,388,690)
Prior year adjustment	-	(114,921)
Deferred tax (benefit)/expense	79,879	201,035
Total tax expense/(benefit)	1,406,719	(1,302,576)

The prima facie income tax expense in the statement of profit or loss and other comprehensive income is as follows:

	2018 $	2017 $
Profit/(loss) before income tax from continuing operations	4,648,398	(4,582,271)
Income tax expense calculated at 30% (2017: 30%)	1,394,519	(1,375,180)
Prior year adjustment	-	(114,921)
Expenditure not allowable for income tax purposes:		
R & D expense	871,669	1,281,279
R & D tax incentive offset (2018: 38.5%; 2017: 40% of R & D expense)	(1,118,642)	(1,707,719)
Non-deductible expenses	(1,180)	738,970
Other temporary differences	260,353	(124,515)
	1,406,719	(1,302,086)
Effective Tax Rate	30.26%	28.42%

The tax rate used in the above reconciliation is the corporate tax rate 30% (2017: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

20. Deferred tax balances

	2018 $	2017 $
Deferred tax liabilities:		
Asset Revaluation of land	(1,783,533)	(1,783,533)
Temporary differences on inventories	(283,783)	(519,434)
Temporary differences on other assets	(209,801)	(321,085)
	(2,277,117)	(2,624,052)
Deferred tax assets:		
Reduced depreciation for tax purposes	8,549	6,015
Temporary differences on accruals	1,352,499	157,963
Temporary differences on provisions	656,508	889,413
Carried forward tax only asset differences (losses, LVP, s40-880)	28,309	1,419,289
	2,045,866	2,472,679
	(231,251)	(151,373)

Reconciliation of movements

	2018 $	2017 $
Originating/(reversing) temporary differences on derivatives	66,025	(49,363)
Originating/(reversing) temporary differences on intangibles	3,680	36
Originating/(reversing) temporary differences on inventories	(235,651)	400,771
Originating/(reversing) temporary differences on other current assets	1,969	(10,937)
Originating/(reversing) temporary differences on property, plant and equipment	(49,295)	(151,066)
Originating/(reversing) temporary differences on provisions	(1,014,272)	22,692
Originating/(reversing) temporary differences on tax only assets	2,980	5,577
Originating/(reversing) temporary differences on trade and other payables	1,394,769	8,891
Originating/(reversing) temporary differences on trade and other receivables	(90,325)	(25,566)
	79,879	201,035

21. Related party transactions

The immediate parent and ultimate controlling party respectively of the company are UPL Limited (incorporated in India) and UPL Corporation Limited (incorporated in Mauritius).

The following is a summary of balances outstanding at year end and transactions throughout the year:

Profit and Loss Transactions with related parties	**2018** **$**	**2017** **$**
Sales		
Advanta Semillas S.A.I.C. - Argentina	(22,371)	-
Advanta Netherlands Holdings BV	-	(35,802)
Advanta Seeds International, Mauritius	(2,128,044)	(777,259)
Advanta Comercio de Sementes Ltda.	(36,300)	-
Advanta Seeds DMCC	(303,063)	(1,171,281)
Purchases		
Advanta Netherlands Holdings BV	246,833	157,344
Royalty (Income)/Expense		
Longreach Plant Breeders Management Pty Ltd	(12,290,865)	(5,869,232)
Interest Expense		
Advanta Holdings BV	441,293	712,487
Advanta Seeds International, Mauritius	-	589,872
Interest Income		
Longreach Plant Breeders Management Pty Ltd	1,072,510	1,079,699
Group Recharge (Income)/Expense		
Longreach Plant Breeders Management Pty Ltd	58,186	45,000
Longreach Plant Breeders Management Pty Ltd	(197,102)	(68,046)
Advanta Seeds International - Mauritius	-	667,625
Advanta Seeds International - Mauritius	(63,484)	-
Advanta Seeds DMCC	0	4,076,450
Advanta Seeds DMCC	(5,338)	(12,053)
UPL Colombia SAS	-	472,515
UPL Corporation Limited	9,276	9,668
Pacific Seeds (Thai) Ltd	(158,292)	-
Advanta US Inc	(48,925)	-
Advanta US Inc	677,632	-
Advanta Holdings BV	989,741	-
Advanta Semillas S.A.I.C. - Argentina	(6,421)	-
UPL Limited	(546)	41,314
Balances Receivable from/ (Payable to) Related Parties		
Loans Payable		
Advanta Holdings BV	(7,162,100)	(13,076,179)
Interest Accrued on Loan Payable/(Receivable)		
Longreach Plant Breeders Management Pty Ltd	91,090	3,653,017
Advanta Holdings BV	(22,324)	(122,164)
Loan Receivable		
Longreach Plant Breeders Management Pty Ltd	11,787,547	11,787,547
Balance Owed to Company at end of year		
Advanta Semillas S.A.I.C. - Argentina	15,003	-
Longreach Plant Breeders Management Pty Ltd	16,064	-
Advanta Seeds International - Mauritius	447,461	733,042
Advanta Comercio de Sementes - Brazil	1,434,752	1,404,360
UPL Limited	177,547	153,528
Advanta Seeds DMCC	309,207	730,001
Pacific Seeds (Thai) Ltd	158,292	-
Advanta US Inc	50,701	-
Balance Owed by Advanta Seeds at end of year		
Longreach Plant Breeders Management Pty Ltd	(2,355,979)	-
Advanta Seeds DMCC	(2,488,290)	(5,391,459)
Advanta US Inc	(670,633)	-
Advanta Holdings BV	(981,066)	-
UPL Corporation Limited	-	(9,669)
UPL Colombia SAS	-	(53,584)

22. Remuneration of auditors

	2018 $	2017 $
Audit of the financial statements	57,500	186,009
Taxation services	-	43,553
Other services - interim review of financial statements	-	119,056
	57,500	348,618

The auditor of Advanta Seeds Pty Ltd is MGI Audit Pty Ltd (2017: Ernst & Young).

23. Operating lease arrangements

Non-cancellable operating lease contracted for but not recognised in the financial statements.

	2018 $	2017 $
Payable - minimum lease payments:		
Not later than one year	1,523,831	1,056,168
Later than 1 year and not later than 5 years	1,031,112	683,318
	2,554,942	1,739,486

24. Capital commitments

	2018 $	2017 $
	409,363	952,174

Capital commitments are made up of major plant and equipment that Advanta Seeds Pty Ltd is committed to obtain in the future. All of the above amounts are expected to be settled in less than one year.

25. Contingent assets and liabilities

The company has a number of contracted growers. In 2017, Canola seed was sold that suffered from poor emergence when planted by the growers. At year end Advanta Seeds was in the process of monitoring the Grower's crops and was seeking a potential indemnity from Vero. During the post year end period settlement was reached with the growers, without acceptance of liability. The contingent liability disclosed was representative of the settlement. The claims were settled in the 2018 financial year, refer note 4.

At the reporting date, the company had three ongoing separate legal claims against them in relation to the quality of seed provided.
The directors, in consultation with their solicitors, are of the opinion that due to the early stage of each of the claims, it is too early to conclude whether the company has a present obligation for liability on any of these cases. Therefore, no provision has been recorded in relation to these claims. The directors will continue to monitor each of these claims and are confident that, as at the reporting date, each claim is defendable.

Contingent Assets

	2018 $	2017 $
Canola Insurance	-	1,079,000
	-	1,079,000

Contingent Liabilities

	2018 $	2017 $
Canola Insurance		1,792,438
Hybrid and parent seed growers	2,597,770	1,899,996
	2,597,770	3,692,434