

Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1 – Details of entity, reporting period

Name of Entity	Australian Agricultural Project Limited
ABN	19 104 555 455
Financial Period	Year ended 30 June 2015
Previous Corresponding Reporting Period	Year ended 30 June 2014

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	3,470	35%
Profit from ordinary activities after tax attributable to members	568	N/A
Profit from discontinued operations after tax attributable to members	-	N/A
Net profit attributable to members	568	N/A

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Full Year 2014/15 Financial Results and Operating Review
for commentary on the results for the year.

Part 3 – Contents of ASX Appendix 4E

Section	Contents
Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4E
Part 4	Consolidated Statement of Profit or Loss and Other Comprehensive Income
Part 5	Consolidated Statement of Financial Position
Part 6	Consolidated Statement of Cash Flows
Part 7	Consolidated Statement of Changes in Equity
Part 8	Revenue and income
Part 9	Expenses
Part 10	Discontinued operations
Part 11	Contributed equity and reserves
Part 12	Details relating to dividends
Part 13	Earnings per share
Part 14	Net tangible assets per security
Part 15	Segment information
Part 16	Audit status

Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2015 \$	2014 \$
Revenue from continuing operations	8	3,469,505	2,565,531
Cost of sales		(1,840,556)	(2,004,093)
Gross profit		1,628,949	561,438
Other revenue	8	1,614	6,618
Corporate and administrative expenses		(230,009)	(301,953)
Depreciation and amortisation		(283,940)	(283,970)
Borrowing costs		(386,501)	(416,984)
Net fair value loss on investment property		(161,933)	223,315
Profit on sale of assets		100	19,299
Profit / (Loss) before income tax		568,280	(192,237)
Income tax expense		-	-
Net Profit / (Loss) from continuing operations		568,280	(192,237)
(Loss) after income tax from discontinued operations	10	-	(267,726)
Profit / (Loss) after income tax		568,280	(459,963)
Other Comprehensive (Expense)			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Movement in foreign exchange reserve		-	(44)
Total Other Comprehensive (Expense)		-	(44)
Total Comprehensive Income /(Loss)		568,280	(460,007)
Basic Earnings / (Loss) per share (cents)	13	0.37	(0.30)
Diluted Earnings / (Loss) per share (cents)	13	0.37	(0.30)

Part 5 – Consolidated Statement of Financial Position

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents		63,765	170,097
Trade and other receivables		3,190,681	2,246,104
Inventories		375,557	258,018
Other		54,472	87,867
Total Current Assets		3,684,475	2,762,086
NON-CURRENT ASSETS			
Property, plant & equipment		1,547,518	1,824,890
Investment property		8,384,167	8,546,100
Total Non-Current Assets		9,931,685	10,370,990
TOTAL ASSETS		13,616,160	13,133,076
CURRENT LIABILITIES			
Bank overdraft		495,230	420,575
Trade and other payables		3,196,545	2,904,386
Provisions		336,179	411,481
Loans and borrowings		1,458,981	3,526,694
Total Current Liabilities		5,486,935	7,263,136
NON-CURRENT LIABILITIES			
Loans and borrowings		3,069,527	1,378,522
Total Non-Current Liabilities		3,069,527	1,378,522
TOTAL LIABILITIES		8,556,462	8,641,658
NET ASSETS		5,059,698	4,491,418
EQUITY			
Contributed equity	11	22,840,966	22,840,966
Reserves		259,784	259,784
Accumulated losses		(18,041,052)	(18,609,332)
TOTAL EQUITY		5,059,698	4,491,418

Part 6 – Consolidated Statement of Cash Flows

	2015 \$	2014 \$
Cash flows from operating activities		
Cash receipts in the course of operations	3,045,539	4,064,202
Cash payments in the course of operations	(2,529,620)	(3,151,147)
Interest received	1,614	6,618
Interest paid	(315,344)	(321,570)
<i>Net cash provided by operating activities</i>	202,189	598,103
Cash flows from investing activities		
Payments for property, plant and equipment	(6,568)	(129,549)
Proceeds from sale of plant and equipment	100	21,700
<i>Net cash (used in) investing activities</i>	(6,468)	(107,849)
Cash flows from financing activities		
Proceeds from hire purchase facilities	-	88,215
Repayment of secured bank facilities	(225,000)	(50,000)
Repayment of hire purchase liabilities	(151,708)	(248,314)
<i>Net cash used in financing activities</i>	(376,708)	(210,099)
Net (decrease) / increase in cash and cash equivalents	(180,987)	280,155
Cash and cash equivalents at the beginning of the year	(250,478)	(530,589)
Effect of exchange rate fluctuations	-	(44)
Cash and cash equivalents at the end of the year	(431,465)	(250,478)

Part 7 – Consolidated Statement of Changes in Equity

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance as at 1 July 2013	22,840,966	259,828	(18,149,369)	4,951,425
Loss for the year after income tax	-	-	(459,963)	(459,963)
Other comprehensive income for the year	-	(44)	-	(44)
Total comprehensive income for the year	-	(44)	(459,963)	(460,007)
Balance as at 30 June 2014	22,840,966	259,784	(18,609,332)	4,491,418
Balance as at 1 July 2014	22,840,966	259,784	(18,609,332)	4,491,418
Profit for the year after income tax	-	-	568,280	568,280
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	568,280	568,280
Balance as at 30 June 2015	22,840,966	259,784	(18,041,052)	5,059,698

Part 8 – Revenue and income

	2015 \$	2014 \$
(a) Revenue from continuing operations		
Sales of bulk oil	259,491	417,497
Management fees	1,459,562	532,089
Lease fees from the investment property	649,853	630,925
Production sharing	1,100,599	985,020
	3,496,505	2,565,531
(b) Other revenue		
Interest received	1,614	6,618
	1,614	6,618

Part 9 – Expenses

	2015 \$	2014 \$
(a) Personnel expenses		
Wages and salaries costs (including termination costs)	506,960	521,314
Superannuation costs	63,351	50,168
Change in liability for annual and long service leave	4,391	21,340
Non-executive directors' fees	12,000	12,000
	586,702	604,822

In 2015, \$521,002 (2014: \$539,272) of personnel expenses were included in cost of sales and the balance, \$67,500 (2014: \$65,550), was included in corporate and administrative expenses.

Part 10 – Discontinued operations

(a) Details of discontinued operations

On 29 November 2012, the Company sold its olive oil retailing business (including the Redisland brand) as well as most of the equipment associated with the olive oil bottling lines for a consideration of \$4,000,000 cash and the surrender of shares held in the Company with a value of \$108,434. In addition the purchaser agreed to purchase inventory of \$644,785. While the gross revenues from these business units had increased significantly up until the date of sale, gross margins continued to be under pressure in an environment with volatile supply arrangements and exposure to imported competition. Accordingly, with the negotiation of the oil supply agreement in conjunction with the asset sale agreement, the Directors decided to dispose of these business units. As a consequence of this sale, the US operations were closed.

Subsequent to the date of the sale, the Company continued operations until 12 February 2013 to meet outstanding export orders and production commitments.

The 2014 expense records the additional expense incurred in re letting the premises from which the business used to operate.

There was no expense in the 2015 financial year from these discontinued operations.

Part 10 – Discontinued operations (continued)

(b) Financial performance of the discontinued operations

	2015 \$	2014 \$
Sale of goods	-	-
Cost of sales	-	-
	-	-
Other income	-	-
Logistic and marketing expenses	-	-
Corporate and administration	-	-
Occupancy expenses	-	(267,726)
Depreciation and amortisation	-	-
Business closure costs	-	-
(Loss)/Profit before income tax	-	(267,726)
Income tax expense	-	-
(Loss)/Profit after income tax	-	(267,726)
Profit on disposal of assets	-	-
Income tax expense	-	-
Profit on disposal after income tax expense	-	-
Profit after income tax from discontinued operations	-	(267,726)
Earnings per share from discontinued operations		
Basic earnings per share (cents)	-	(0.18)
Diluted earnings per share (cents)	-	(0.18)

(c) Cash flows from discontinued operations

Net cash (used in)/provided by operating activities	-	-
Net cash provided by/(used in) investing activities	-	-
Net cash (used in)/provided by financing activities	-	-
Net decrease in cash and cash equivalents from discontinued operations	-	-

Part 11 – Contributed equity and reserves

	2015 \$	2014 \$
(a) Issued capital		
152,358,384 (2014: 152,358,384) fully paid ordinary shares	22,840,966	22,840,966

Movements in ordinary share capital

There were no movements in ordinary share capital during the financial year.

Options

There were no options granted during the financial year and no options have been granted since the end of the financial year. No options were exercised during the year.

The company had no options on issue as at 30 June 2015 (2014: nil).

Part 12 – Details Relating to Dividends

No dividends have been paid or declared by the company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

Part 13 – Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2015 was based on the profit attributable to ordinary shareholders of \$568,280 (2014 loss of \$459,963) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2015 of 152,358,384 (2014: 152,358,384) calculated as follows:

	2015 \$	2014 \$
Profit attributable to ordinary shareholders		
Net profit/(loss)for the year	568,280	(459,963)
	Number 2015	Number 2014
Weighted average number of ordinary shares at 30 June	152,358,384	152,358,384

(b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as there were no options on issue at 30 June 2015 and 30 June 2014.

Part 14 – Net Tangible Assets per Security

	2015	2014
Net tangible asset backing per ordinary security 152,358,384 (2014: 152,358,384) shares used for NTAS calculation	3.32 cents	2.95 cents

Part 15 – Segment Information

The Company sold its marketing business in November 2012 and as a consequence now only operates in one segment, being the operation of an olive orchard located in Boort, Victoria.

Part 16 – Audit Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not Applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not Applicable