

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 2016
Previous Corresponding Reporting Period	Year ended 30 June 2015

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	3,461	(0.2)%
Profit from ordinary activities after tax attributable to members	381	(33.0)%
Net profit attributable to members	381	(33.0)%

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 Operations Review for commentary on the results for the year.

Part 3 – Contents of ASX Appendix 4E

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

	Note	2016 \$	2015 \$
Revenue	8	3,460,844	3,469,505
Cost of sales		(2,361,842)	(1,840,556)
Gross profit		<u>1,099,002</u>	<u>1,628,949</u>
Other revenue	8	1,107	1,614
Corporate and administrative expenses		(280,510)	(230,009)
Depreciation and amortisation		(275,096)	(283,940)
Borrowing costs		(352,864)	(386,501)
Net fair value gain/(loss) on investment property		189,318	(161,933)
Profit on sale of assets		-	100
Profit before income tax		<u>380,957</u>	<u>568,280</u>
Income tax expense		-	-
Net profit after income tax		<u>380,957</u>	<u>568,280</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>380,957</u>	<u>568,280</u>
Basic Earnings per share (cents)	12	0.25	0.37
Diluted Earnings per share (cents)	12	<u>0.25</u>	<u>0.37</u>

Part 5 – Consolidated Statement of Financial Position

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents		36,541	63,765
Trade and other receivables		2,889,453	3,190,681
Inventories		357,350	375,557
Other		67,283	54,472
Total Current Assets		<u>3,350,627</u>	<u>3,684,475</u>
NON-CURRENT ASSETS			
Property, plant & equipment		1,414,195	1,547,518
Investment property		8,573,485	8,384,167
Total Non-Current Assets		<u>9,987,680</u>	<u>9,931,685</u>
TOTAL ASSETS		<u>13,338,307</u>	<u>13,616,160</u>
CURRENT LIABILITIES			
Bank overdraft		494,525	495,230
Trade and other payables		2,855,076	3,196,545
Provisions		287,161	336,179
Loans and borrowings		1,107,932	1,458,981
Total Current Liabilities		<u>4,744,694</u>	<u>5,486,935</u>
NON-CURRENT LIABILITIES			
Loans and borrowings		3,152,958	3,069,527
Total Non-Current Liabilities		<u>3,152,958</u>	<u>3,069,527</u>
TOTAL LIABILITIES		<u>7,897,652</u>	<u>8,556,462</u>
NET ASSETS		<u><u>5,440,655</u></u>	<u><u>5,059,698</u></u>
EQUITY			
Contributed equity	10	22,840,966	22,840,966
Reserves		259,784	259,784
Accumulated losses		(17,660,095)	(18,041,052)
TOTAL EQUITY		<u>5,440,655</u>	<u>5,059,698</u>

Part 6 – Consolidated Statement of Cash Flows

	2016 \$	2015 \$
Cash flows from operating activities		
Cash receipts in the course of operations	4,411,138	3,045,539
Cash payments in the course of operations	(3,614,270)	(2,529,620)
Interest received	1,107	1,614
Interest paid	(432,104)	(315,344)
<i>Net cash provided by operating activities</i>	365,871	202,189
Cash flows from investing activities		
Payments for property, plant and equipment	(155,950)	(6,568)
Proceeds from sale of plant and equipment	-	100
<i>Net cash used in investing activities</i>	(155,950)	(6,468)
Cash flows from financing activities		
Proceeds from hire purchase facilities	153,450	-
Repayment of secured bank facilities	(225,000)	(225,000)
Repayment of hire purchase liabilities	(164,890)	(151,708)
<i>Net cash used in financing activities</i>	(236,440)	(376,708)
Net (decrease) in cash and cash equivalents	(26,519)	(180,987)
Cash and cash equivalents at the beginning of the year	(431,465)	(250,478)
Cash and cash equivalents at the end of the year	(457,984)	(431,465)

Part 7 – Consolidated Statement of Changes in Equity

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
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
Balance as at 1 July 2015	22,840,966	259,784	(18,041,052)	5,059,698
Profit for the year after income tax	-	-	380,957	380,957
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	380,957	380,957
Balance as at 30 June 2016	22,840,966	259,784	(17,660,095)	5,440,655

Part 8 – Revenue and income

	2016 \$	2015 \$
(a) Revenue from continuing operations		
Sales of bulk oil	391,108	259,491
Management fees	1,405,314	1,459,562
Lease fees from the investment property	659,600	649,853
Production sharing	1,004,822	1,100,599
	3,460,844	3,469,505
(b) Other revenue		
Interest received	1,107	1,614
	1,107	1,614

Part 9 – Expenses

	2016 \$	2015 \$
(a) Personnel expenses		
Wages and salaries cost	607,658	506,960
Superannuation costs	55,727	63,351
Change in liability for annual and long service leave	51,427	4,391
Non-executive directors' fees	12,000	12,000
	726,812	586,702

In 2016, \$633,262 (2015: \$521,002) of personnel expenses were included in cost of sales and the balance, \$93,550 (2015: \$67,500), was included in corporate and administrative expenses.

Part 10 – Contributed equity and reserves

	2016 \$	2015 \$
(a) Issued capital		
152,358,384 (2015: 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 2016 (2015: nil).

Part 11 – 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 12 – Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2016 was based on the profit attributable to ordinary shareholders of \$380,957 (2015: \$568,280) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2016 of 152,358,384 (2015: 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 2016 and 30 June 2015.

Part 13 – Net Tangible Assets per Security

	2016	2015
Net tangible asset backing per ordinary security 152,358,384 (2015: 152,358,384) shares used for NTAS calculation	3.57 cents	3.32 cents

Part 14 – Segment Information

The Company operates in one segment, being the operation of an olive orchard located in Boort, Victoria.

Part 15 – 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