



**Australian
Agricultural
Projects Ltd**

ABN: 19 104 555 455

Head Office

Suite 2, 342 South Road
Hampton East VIC 3188

P: 0417 001 446

F: + 61 3 9532 1556

E: admin@voopl.com.au

**MARKET UPDATE
QUARTER ENDED 30 SEPTEMBER 2016**

ANNOUNCEMENT

31 OCTOBER 2016

The Company is pleased to present its report for the quarter ended 30 September 2016 and advises:

- The orchard received record rainfall over the past months and for a short period of time, portions of the orchard were underwater. While reminiscent of the floods in 2011, orchard management does not expect the same impact upon the orchard as it has occurred earlier in the season. We appreciate the effort the orchard team made in removing the water from the orchard as quickly as possible.
- The orchard is generally in good health despite the ongoing issues with the barnea variety. Flowering is expected to occur during November after which we will have an early indication of possible yield.
- One benefit of the excess rains is the impact on the cost of water. Temporary water prices are currently one third of what they were at the same time last year and are expected to stay at this level for some time. This will translate into a significant saving for the Company.
- All oil from the 2016 season has been assessed as extra virgin olive oil and accepted by Boundary Bend Limited under the olive oil supply agreement.

Quarterly cash flow

The cash receipts for the September quarter amounted to \$1,189,000 which largely represented the proceeds from the sale of oil under the olive oil supply agreement. The operating surplus of \$433,000 was in line with management expectations.

The repayment of borrowings of \$58,000 relates to the reduction in hire purchase contracts and the Company's harvest overdraft facility was reduced by \$200,000 during the quarter. This overdraft facility will be completely paid down during the December quarter as part of the overall banking facility conditions.

Annual cashflows are expected to follow a similar pattern to last year's, with surplus operating cashflows in the first three quarters followed by a deficit in the June quarter when the costs of the annual harvest are incurred.

AUTHORISED BY:

Paul Challis
Managing Director

Enquiries may be directed to:

Paul Challis – Managing Director

E: paul.challis@voopl.com.au

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

ABN

19 104 555 455

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,189	1,189
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(439)	(439)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(149)	(149)
(f) administration and corporate costs	(73)	(73)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(95)	(95)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	433	433
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities		

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(58)	(58)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(58)	(58)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	(458)	(458)
4.2 Net cash from / (used in) operating activities (item 1.9 above)	433	433
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(58)	(58)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	(83)	(83)

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	192	37
5.2 Call deposits	-	-
5.3 Bank overdrafts	(275)	(495)
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(83)	(458)

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
48
-

The amount includes payment for:

- Salary and superannuation 38
- Secretarial services 10

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,205	2,205
8.2 Credit standby arrangements	-	-
8.3 Other - Overdraft	300	275
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Loan facility	
• Lender:	CBA
• Interest Rate	30 day bank bill rate plus 4%
• Secured	
Seasonal overdraft facility	
• The Company operates a seasonal overdraft facility where the limit available fluctuates between nil and \$500,000. As at 30 September 2016 the limit is \$300,000.	
• Lender	CBA
• Interest Rate	9.31% pa
• Secured	

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(472)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(119)
9.6 Administration and corporate costs	(54)
9.7 Other- Finance payments	(81)
9.8 Total estimated cash outflows	(726)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Managing Director)

Date: **31 October 2016**

Print name: **Paul Challis**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.