



**Australian
Agricultural
Projects Ltd**

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**MARKET UPDATE
QUARTER ENDED 31 MARCH 2017**

ANNOUNCEMENT

28 APRIL 2017

The Company is pleased to present its report for the quarter ended 31 March 2017 and advises:

- Harvest is scheduled to commence on 1 May, later than usual as a consequence of the later than normal ripening of the fruit. The orchard management team expects the total harvest volumes to be similar to last year although the final oil production will be dependent upon the level of oil accumulation in the fruit. The recent heavy rains will not delay the commencement of harvest but will increase the impact of any subsequent rainfall.
- We will advise the final harvest results shortly after the completion of the harvest which is expected in mid-June.
- The cost of water has continued to be at the low end of expectations and has resulted in a significant saving in comparison to last year. Management anticipates these prices will continue into next season. In addition, the Company has forward purchased a large portion of next season's water requirements.
- The orchard continues in good health with the exception of the Barnea variety as previously detailed. Management has decided upon the first stages of a replanting programme which will initially see at least 7,000 trees replaced next season. This will be managed through the regular orchard maintenance programme, with future years' plantings to be conducted as and when considered appropriate.

Quarterly cash flow

The cash receipts for the March quarter amounted to \$1,167,000 (year to date: \$3,547,000) which principally comprises the proceeds from the sale of oil under the olive oil supply agreement. The quarterly operating surplus of \$84,000 (year to date \$831,000) is largely in line with management expectations and we note that a portion of this surplus will be utilised during the next quarter to meet the expense of the annual harvest.

Equipment costing \$60,000 was purchased during the quarter and was financed by way of an equipment loan from our bankers. Separate to this new borrowing, finance facilities were reduced by a further \$56,000 (year to date \$164,000).

In line with the normal business cycle, cash flows for the next quarter are expected to be negative before returning to net operating surpluses.

AUTHORISED BY:

Paul Challis
Managing Director

Enquiries may be directed to:

Paul Challis – Managing Director

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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")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,167	3,547
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(754)	(1,755)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(139)	(445)
(f) administration and corporate costs	(88)	(236)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(102)	(278)
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	84	831
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(60)	(60)
(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 (9 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	(60)	(60)

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	60	60
3.6 Repayment of borrowings	(56)	(164)
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	4	(104)

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	181	(458)
4.2 Net cash from / (used in) operating activities (item 1.9 above)	84	831
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(60)	(60)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4	(104)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	209	209

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	209	181
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	209	181

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	-	-
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.	
• 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	(542)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(444)
9.6 Administration and corporate costs	(32)
9.7 Other- Finance payments	(80)
9.8 Total estimated cash outflows	(1,098)

It is expected that operating cash inflows, existing cash balances and the harvest overdraft facility will exceed this amount.

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: **28 April 2017**

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.