

# Appendix 4E

## Preliminary Final Report to the Australian Securities Exchange

### Part 1 – Details of entity, reporting period

<b>Name of Entity</b>	Australian Agricultural Projects Limited
<b>ABN</b>	19 104 555 455
<b>Financial Period</b>	Year ended 30 June 2017
<b>Previous Corresponding Reporting Period</b>	Year ended 30 June 2016

### Part 2 – Results for Announcement to the Market

	<b>\$'000</b>	<b>Percentage increase /(decrease) over previous corresponding period</b>
<b>Revenue from ordinary activities</b>	3,339	(3.5)%
<b>Profit from ordinary activities after tax attributable to members</b>	443	16.2%
<b>Net profit attributable to members</b>	443	16.2%

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Final Dividend</b>	Nil	Nil
<b>Interim Dividend</b>	Nil	Nil
<b>Record date for determining entitlements to the dividends (if any)</b>	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**

	Part	2017 \$	2016 \$
Revenue	8	3,339,207	3,460,844
Cost of sales		(2,240,792)	(2,361,842)
Gross profit		<u>1,098,415</u>	<u>1,099,002</u>
Other revenue	8	463	1,107
Corporate and administrative expenses		(274,947)	(280,510)
Depreciation and amortisation		(284,315)	(275,096)
Borrowing costs		(313,050)	(352,864)
Net fair value gain on investment property		216,075	189,318
<b>Profit before income tax</b>		<u><b>442,641</b></u>	<u><b>380,957</b></u>
Income tax expense		-	-
<b>Net profit after income tax</b>		<u><b>442,641</b></u>	<u><b>380,957</b></u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<u><u><b>442,641</b></u></u>	<u><u><b>380,957</b></u></u>
Basic Earnings per share (cents)	12	0.29	0.25
Diluted Earnings per share (cents)	12	<u>0.29</u>	<u>0.25</u>

## Part 5 – Consolidated Statement of Financial Position

	Part	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		192,100	36,541
Trade and other receivables		2,641,856	2,889,453
Inventories		295,128	357,350
Other		98,057	67,283
<b>Total Current Assets</b>		<u>3,227,141</u>	<u>3,350,627</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment		1,188,314	1,414,195
Investment property		8,789,560	8,573,485
<b>Total Non-Current Assets</b>		<u>9,977,874</u>	<u>9,987,680</u>
<b>TOTAL ASSETS</b>		<u>13,205,015</u>	<u>13,338,307</u>
<b>CURRENT LIABILITIES</b>			
Bank overdraft		492,874	494,525
Trade and other payables		2,390,653	2,855,076
Provisions		295,680	287,161
Loans and borrowings		996,566	1,107,932
<b>Total Current Liabilities</b>		<u>4,175,773</u>	<u>4,744,694</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings		3,145,946	3,152,958
<b>Total Non-Current Liabilities</b>		<u>3,145,946</u>	<u>3,152,958</u>
<b>TOTAL LIABILITIES</b>		<u>7,321,719</u>	<u>7,897,652</u>
<b>NET ASSETS</b>		<u><u>5,883,296</u></u>	<u><u>5,440,655</u></u>
<b>EQUITY</b>			
Contributed equity	10	22,840,966	22,840,966
Reserves		259,784	259,784
Accumulated losses		(17,217,454)	(17,660,095)
<b>TOTAL EQUITY</b>		<u>5,883,296</u>	<u>5,440,655</u>

## Part 6 – Consolidated Statement of Cash Flows

	2017 \$	2016 \$
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	4,010,932	4,411,138
Cash payments in the course of operations	(3,290,792)	(3,597,269)
Interest received	463	1,107
Interest paid	(386,581)	(432,104)
<b><i>Net cash provided by operating activities</i></b>	<b>334,022</b>	<b>382,872</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(58,434)	(141,773)
<b><i>Net cash used in investing activities</i></b>	<b>(58,434)</b>	<b>(141,773)</b>
<b>Cash flows from financing activities</b>		
Proceeds from hire purchase facilities	84,442	122,272
Repayment of secured bank facilities	-	(225,000)
Repayment of hire purchase liabilities	(202,820)	(164,890)
<b><i>Net cash used in financing activities</i></b>	<b>(118,378)</b>	<b>(267,618)</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	157,210	(26,519)
<b>Cash and cash equivalents at the beginning of the year</b>	(457,984)	(431,465)
<b>Cash and cash equivalents at the end of the year</b>	<b>(300,774)</b>	<b>(457,984)</b>

## Part 7 – Consolidated Statement of Changes in Equity

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance as at 1 July 2015</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(18,041,052)</b>	<b>5,059,698</b>
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
<b>Balance as at 30 June 2016</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(17,660,095)</b>	<b>5,440,655</b>
<b>Balance as at 1 July 2016</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(17,660,095)</b>	<b>5,440,655</b>
Profit for the year after income tax	-	-	442,641	442,641
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	442,641	442,641
<b>Balance as at 30 June 2017</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(17,217,454)</b>	<b>5,883,296</b>

## Part 8 – Revenue and income

	2017 \$	2016 \$
<b>(a) Revenue from continuing operations</b>		
Sales of bulk oil	369,334	391,108
Management fees	1,585,955	1,405,314
Lease fees from the investment property	666,200	659,600
Production sharing	717,718	1,004,822
	3,339,207	3,460,844
<b>(b) Other revenue</b>		
Interest received	463	1,107
	463	1,107

## Part 9 – Expenses

<b>(a) Personnel expenses</b>		
Wages and salaries cost	665,337	607,658
Superannuation costs	73,420	55,727
Change in liability for annual and long service leave	8,519	51,427
Non-executive directors' fees	12,000	12,000
	759,276	726,812

In 2017, \$670,626 (2016: \$633,262) of personnel expenses were included in cost of sales and the balance, \$88,650 (2016: \$93,550), was included in corporate and administrative expenses.

## Part 10 – Contributed equity and reserves

<b>(a) Issued capital</b>		
152,358,384 (2016: 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 2017 (2016: 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 2017 was based on the profit attributable to ordinary shareholders of \$442,641 (2016: \$380,957) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2017 of 152,358,384 (2016: 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 2017 and 30 June 2016.

## Part 13 – Net Tangible Assets per Security

	2017	2016
Net tangible asset backing per ordinary security 152,358,384 (2016: 152,358,384) shares used for NTAS calculation	3.86 cents	3.57 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

<b>This report is based on accounts to which one of the following applies:</b> (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