

# Appendix 4E

## Preliminary Final Report to the Australian Securities Exchange

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

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

### 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>	3,470	35%
<b>Profit from ordinary activities after tax attributable to members</b>	568	N/A
<b>Profit from discontinued operations after tax attributable to members</b>	-	N/A
<b>Net profit attributable to members</b>	568	N/A

<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 Full Year 2014/15 Financial Results and Operating 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	2015 \$	2014 \$
Revenue from continuing operations	8	3,469,505	2,565,531
Cost of sales		(1,840,556)	(2,004,093)
Gross profit		<u>1,628,949</u>	<u>561,438</u>
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
<b>Profit / (Loss) before income tax</b>		<u>568,280</u>	<u>(192,237)</u>
Income tax expense		-	-
<b>Net Profit / (Loss) from continuing operations</b>		<u>568,280</u>	<u>(192,237)</u>
(Loss) after income tax from discontinued operations	10	-	(267,726)
<b>Profit / (Loss) after income tax</b>		<u>568,280</u>	<u>(459,963)</u>
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)
<b>Total Comprehensive Income /(Loss)</b>		<u>568,280</u>	<u>(460,007)</u>
Basic Earnings / (Loss) per share (cents)	13	0.37	(0.30)
Diluted Earnings / (Loss) per share (cents)	13	<u>0.37</u>	<u>(0.30)</u>

## Part 5 – Consolidated Statement of Financial Position

	Note	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
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
<b>Total Current Assets</b>		<u>3,684,475</u>	<u>2,762,086</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment		1,547,518	1,824,890
Investment property		8,384,167	8,546,100
<b>Total Non-Current Assets</b>		<u>9,931,685</u>	<u>10,370,990</u>
<b>TOTAL ASSETS</b>		<u>13,616,160</u>	<u>13,133,076</u>
<b>CURRENT LIABILITIES</b>			
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
<b>Total Current Liabilities</b>		<u>5,486,935</u>	<u>7,263,136</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings		3,069,527	1,378,522
<b>Total Non-Current Liabilities</b>		<u>3,069,527</u>	<u>1,378,522</u>
<b>TOTAL LIABILITIES</b>		<u>8,556,462</u>	<u>8,641,658</u>
<b>NET ASSETS</b>		<u><u>5,059,698</u></u>	<u><u>4,491,418</u></u>
<b>EQUITY</b>			
Contributed equity	11	22,840,966	22,840,966
Reserves		259,784	259,784
Accumulated losses		(18,041,052)	(18,609,332)
<b>TOTAL EQUITY</b>		<u>5,059,698</u>	<u>4,491,418</u>

## Part 6 – Consolidated Statement of Cash Flows

	2015 \$	2014 \$
<b>Cash flows from operating activities</b>		
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)
<b><i>Net cash provided by operating activities</i></b>	<b>202,189</b>	<b>598,103</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(6,568)	(129,549)
Proceeds from sale of plant and equipment	100	21,700
<b><i>Net cash (used in) investing activities</i></b>	<b>(6,468)</b>	<b>(107,849)</b>
<b>Cash flows from financing activities</b>		
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)
<b><i>Net cash used in financing activities</i></b>	<b>(376,708)</b>	<b>(210,099)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(180,987)</b>	<b>280,155</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(250,478)</b>	<b>(530,589)</b>
Effect of exchange rate fluctuations	-	(44)
<b>Cash and cash equivalents at the end of the year</b>	<b>(431,465)</b>	<b>(250,478)</b>

## Part 7 – Consolidated Statement of Changes in Equity

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance as at 1 July 2013</b>	<b>22,840,966</b>	<b>259,828</b>	<b>(18,149,369)</b>	<b>4,951,425</b>
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)
<b>Balance as at 30 June 2014</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(18,609,332)</b>	<b>4,491,418</b>
<b>Balance as at 1 July 2014</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(18,609,332)</b>	<b>4,491,418</b>
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
<b>Balance as at 30 June 2015</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(18,041,052)</b>	<b>5,059,698</b>

## Part 8 – Revenue and income

	2015 \$	2014 \$
<b>(a) Revenue from continuing operations</b>		
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>(b) Other revenue</b>		
Interest received	1,614	6,618
	1,614	6,618

## Part 9 – Expenses

	2015 \$	2014 \$
<b>(a) Personnel expenses</b>		
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 \$
<b>(a) Issued capital</b>		
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 \$
<b>Profit attributable to ordinary shareholders</b>		
Net profit/(loss)for the year	568,280	(459,963)
	<b>Number 2015</b>	<b>Number 2014</b>
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

<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