



**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 31 DECEMBER 2017**

ANNOUNCEMENT

31 JANUARY 2018

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

- The review of flowering and subsequent fruitset has indicated that the volume of fruit across the orchard is likely to be considerably less than that harvested in 2017. Even applying the assumption that oil accumulation this year will return to the long-term average (20%, compared with 15.5% in 2017), the preliminary estimation is that total oil production could be up to 10% less than last year. This reduction is consistent with an off year at the orchard in combination with a portion of the barnea trees deteriorating quicker than expected.
- As noted in the September 2017 quarterly report, 20,000 of the worst performing barnea trees have been removed and the ground prepared in readiness for the first instalment of the replanting programme planned for March this year. Importantly, the planting density of these replanted areas will be increased with a view of reducing harvest risk and improving the long term quality of the orchard. The total replanting programme is expected to be completed over five to seven years which will see all of the barnea variety replaced.

Quarterly cash flow

The cash receipts for the December quarter amounted to \$987,000 which largely represented the proceeds from the sale of oil under the Olive Oil Supply Agreement. The operating surplus of \$176,000 was less than expected as the proceeds from the 2017 harvest contracting have been deferred from the December 2017 quarter to the March 2018 quarter. As a consequence, the Company has extended its harvest facility with its bankers to continue to provide operating headroom to the business cashflow.

The Company financed and paid for the installation of the replacement filtration and irrigation control systems during the period. These cash flows are reflected in sections 2.1 and 3.5 of the Appendix 4c.

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")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	987	1,987
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(551)	(922)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(92)	(272)
(f) administration and corporate costs	(68)	(169)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(100)	(200)
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	176	424
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(401)	(428)
(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 (6 months) \$A'000
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	5
(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	(401)	(423)

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	401	428
3.6 Repayment of borrowings	(39)	(60)
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	362	368

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	(68)	(300)
4.2 Net cash from / (used in) operating activities (item 1.9 above)	176	424
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(401)	(423)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	362	368
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	69	69

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	224	225
5.2 Call deposits	-	-
5.3 Bank overdrafts	(155)	(293)
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	69	(68)

6. Payments to directors of the entity and their associates

**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

48

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

The amount includes payment for:

- Salary and superannuation 38
- Secretarial services 10

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

**Current quarter
\$A'000**

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

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	200	155
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 31 December 2017 the limit is \$200,000.	
• 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	(822)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(217)
9.6 Administration and corporate costs	(63)
9.7 Other- Finance payments	(136)
9.8 Total estimated cash outflows	(1,238)

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:

Date: **31 January 2018**

Managing Director

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.