



**Australian
Agricultural
Projects Ltd**

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**MARKET UPDATE
QUARTER ENDED 31 MARCH 2018**

ANNOUNCEMENT

30 APRIL 2018

The Company is pleased to present its report for the quarter ended 31 March 2018 and advises:

- Harvest is scheduled to commence in the first week of May. As we have noted earlier, the orchard management team expects the total harvest volumes of fruit to be considerably less than last year as a consequence of the biennial nature of the trees and the removal of a portion of the barnea trees. While it is expected this reduction will be partially offset by a more normal oil accumulation than last year, total oil production is still expected to be less than last year.
- The current dry conditions have resulted in the cost of water increasing over the past few months as the Company has sought to finalise its water position for the season. Fortunately, if the same dry conditions continue for the next few weeks, then it will both simplify and expediate the harvest. We will advise the final harvest results shortly after the completion of the harvest which is expected in early June.
- The first tranche of the replanting programme was completed at the end of March. The team planted 25,000 trees in a high density format replacing a portion of the barnea variety that was removed earlier in the season. Planning has commenced for the second tranche which is expected to be planted in March 2019.

Quarterly cash flow

The cash receipts for the March quarter amounted to \$1,067,000 (year to date: \$3,054,000) which principally comprises the proceeds from the sale of oil under the olive oil supply agreement. The quarterly operating surplus of \$439,000 (year to date \$863,000) is largely in line with management expectations and we note that a portion of this surplus was utilised in the first tranche of the replanting. The balance of the surplus will be absorbed during the annual harvest in the June quarter.

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 2018

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	1,067	3,054
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(388)	(1,310)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(140)	(412)
(f) administration and corporate costs	(34)	(203)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(66)	(266)
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	439	863
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(213)	(641)
(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	-	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	(213)	(636)

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	-	428
3.6 Repayment of borrowings	(39)	(99)
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	(39)	329

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	69	(300)
4.2 Net cash from / (used in) operating activities (item 1.9 above)	439	863
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(213)	(636)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(39)	329
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	256	256

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	256	224
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	(155)
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	256	69

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. As at 31 March 2018 the limit is \$nil.	
• 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	(694)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(235)
9.6 Administration and corporate costs	(59)
9.7 Other- Finance payments	(112)
9.8 Total estimated cash outflows	(1,100)

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: **30 April 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.