

# 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 2019
<b>Previous Corresponding Reporting Period</b>	Year ended 30 June 2018

### 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>	2,454	48.3%
<b>(Loss) from ordinary activities after tax attributable to members</b>	(94)	(89.0%)
<b>Net loss attributable to members</b>	(94)	(89.0%)

<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.

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### Part 3 – Contents of ASX Appendix 4E

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**Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	<b>Part</b>	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
Revenue	8	2,454,152	1,654,827
Cost of sales		(1,922,012)	(1,548,538)
Gross profit		<u>532,140</u>	<u>106,289</u>
Other revenue	8	105	5,032
Corporate and administrative expenses		(307,428)	(271,547)
Depreciation and amortisation		(252,338)	(286,908)
Borrowing costs		(359,567)	(331,570)
Net fair value gain/(loss) on investment property		293,116	(74,003)
<b>Loss before income tax</b>		<u><b>(93,972)</b></u>	<u><b>(852,707)</b></u>
Income tax expense		-	-
<b>Net loss after income tax</b>		<u><b>(93,972)</b></u>	<u><b>(852,707)</b></u>
Other Comprehensive Income		-	-
<b>Total Comprehensive (Loss)/Income</b>		<u><b>(93,972)</b></u>	<u><b>(852,707)</b></u>
Basic (Loss) per share (cents)	13	(0.06)	(0.56)
Diluted (Loss) per share (cents)	13	<u>(0.06)</u>	<u>(0.56)</u>

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## Part 5 – Consolidated Statement of Financial Position

	Part	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		156,446	197,570
Trade and other receivables		2,290,915	1,660,462
Inventories		267,057	129,514
Other		18,355	37,124
<b>Total Current Assets</b>		<b>2,732,773</b>	<b>2,024,670</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment		1,194,481	1,317,602
Investment property	10	10,332,403	9,044,721
<b>Total Non-Current Assets</b>		<b>11,526,884</b>	<b>10,362,323</b>
<b>TOTAL ASSETS</b>		<b>14,259,657</b>	<b>12,386,993</b>
<b>CURRENT LIABILITIES</b>			
Bank overdraft		495,300	474,740
Trade and other payables		2,214,867	2,164,918
Provisions		301,783	279,817
Loans and borrowings		1,596,952	1,042,899
<b>Total Current Liabilities</b>		<b>4,608,902</b>	<b>3,962,374</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings		4,714,138	3,394,030
<b>Total Non-Current Liabilities</b>		<b>4,714,138</b>	<b>3,394,030</b>
<b>TOTAL LIABILITIES</b>		<b>9,323,040</b>	<b>7,356,404</b>
<b>NET ASSETS</b>		<b>4,936,617</b>	<b>5,030,589</b>
<b>EQUITY</b>			
Contributed equity	11	22,840,966	22,840,966
Reserves		259,784	259,784
Accumulated losses		(18,164,133)	(18,070,161)
<b>TOTAL EQUITY</b>		<b>4,936,617</b>	<b>5,030,589</b>

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**Part 6 – Consolidated Statement of Cash Flows**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	2,204,478	3,504,765
Cash payments in the course of operations	(2,680,511)	(2,672,383)
Interest received	105	227
Interest paid	(336,134)	(362,707)
<b>Net cash (used in) / provided by operating activities</b>	<b>(812,062)</b>	<b>469,902</b>
<b>Cash flows from investing activities</b>		
Payments for investment property	(994,566)	(329,164)
Payments for property, plant and equipment	(129,217)	(416,195)
Proceeds from sale of property, plant and equipment	-	4,646
<b>Net cash used in investing activities</b>	<b>(1,123,783)</b>	<b>(740,713)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loan facilities	1,870,000	-
Proceeds from hire purchase facilities	140,052	428,500
Repayment of hire purchase liabilities	(135,891)	(134,085)
<b>Net cash provided by financing activities</b>	<b>1,874,161</b>	<b>294,415</b>
<b>Net (decrease)/increase cash and cash equivalents</b>	<b>(61,684)</b>	<b>23,604</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(277,170)</b>	<b>(300,774)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(338,854)</b>	<b>(277,170)</b>

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**Part 7 – Consolidated Statement of Changes in Equity**

	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total \$</b>
<b>Balance as at 1 July 2017</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(17,217,454)</b>	<b>5,883,296</b>
Loss for the year after income tax	-	-	(852,707)	(852,707)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(852,707)	(852,707)
<b>Balance as at 30 June 2018</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(18,070,161)</b>	<b>5,030,589</b>
<b>Balance as at 1 July 2018</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(18,070,161)</b>	<b>5,030,589</b>
Loss for the year after income tax	-	-	(93,972)	(93,972)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(93,972)	(93,972)
<b>Balance as at 30 June 2019</b>	<b>22,840,966</b>	<b>259,784</b>	<b>(18,164,133)</b>	<b>4,936,617</b>

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## Part 8 – Revenue and income

	2019 \$	2018 \$
<b>(a) Revenue from continuing operations</b>		
Management fees	1,032,458	567,928
Lease fees from the investment property	691,756	678,857
Production sharing	729,938	408,042
	<u>2,454,152</u>	<u>1,654,827</u>
<b>(b) Other revenue</b>		
Interest received	105	227
Profit on sale of assets	-	4,646
Other income	-	159
	<u>105</u>	<u>5,032</u>

## Part 9 – Expenses

<b>(a) Personnel expenses</b>		
Wages and salaries cost	551,225	536,157
Superannuation costs	63,087	72,459
Change in liability for annual and long service leave	21,966	(15,863)
Non-executive directors' fees	12,000	12,000
	<u>648,278</u>	<u>604,753</u>

In 2019, \$560,137 (2018: \$516,103) of personnel expenses were included in cost of sales and the balance, \$88,650 (2018: \$88,650), was included in corporate and administrative expenses.

## Part 10 – Investment property

Land, trees and orchard assets held to earn lease fees	<u>10,332,403</u>	<u>9,044,721</u>
Movement consists of:		
Investment property opening balance	9,044,721	8,789,560
Capital improvements	994,566	329,164
Orchard (impairment)/revaluation	293,116	(74,003)
	<u>10,332,403</u>	<u>9,044,721</u>

	2019 \$	2018 \$
<b>Part 11 – Contributed equity and reserves</b>		
<b>(a) Issued capital</b>		
152,358,384 (2018: 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 2019 (2018: 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 2019 was based on the loss attributable to ordinary shareholders of \$93,972 (2018: loss of \$852,707) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 152,358,384 (2018: 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 2019 and 30 June 2018.

**Part 14 – Net Tangible Assets per Security**

	2019	2018
Net tangible asset backing per ordinary security 152,358,384 (2018: 152,358,384) shares used for NTAS calculation	3.24 cents	3.30 cents

**Part 15 – Segment Information**

The Company operates in one segment, being the operation of an olive orchard located in Boort, Victoria.

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**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	<input type="checkbox"/>	The accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

**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

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