



**Australian  
Agricultural  
Projects Ltd**

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**MARKET UPDATE  
QUARTER ENDED 30 SEPTEMBER 2019**

**ANNOUNCEMENT**

**31 OCTOBER 2019**

The Company is pleased to present its report for the quarter ended 30 September 2019 and advises:

- Orchard operations have continued post harvest and the trees are now showing the evidence of spring growth with flowering expected to occur in the first half of November. The orchard experienced a frost event earlier in October and it appears some of the lower portions of the orchard were affected although the full impact will not be clear until after flowering. We will report on flowering and fruit set in the next quarterly report.
- The newly planted portions of the orchard are a particular focus of the orchard team and we are pleased with the initial growth of those planted in March of this year. The number of replants required remains low in comparison to the original plantings at the orchard. There are no new plantings planned for this year although preparation works have commenced for the final tranche of the replanting programme targeted for March 2021.
- Continued dry conditions have exacerbated the current tensions within the water markets, especially in the Lower Murray irrigation regions. This is reflected in current spot water prices increasing since the start of the season, including in our own irrigation region, the Goulburn zone. Despite the high prices, there appears to be sufficient water available for sale within our part of the broader irrigation system to meet our requirements and management's long term view of reduced water prices remains unchanged. Naturally, this matter remains a key issue for the team and they are maintaining a watching brief and acquiring water as required.
- We confirm all of the oil produced last year has been accepted by Boundary Bend Olives and will be collected by them as required.

**Quarterly cash flow**

The cash receipts for the September quarter amounted to \$1,007,000 which compares with \$632,000 for the same period last year. This greater amount is consistent with the 2019 harvest being greater than the previous year. The operating surplus for the quarter was \$362,000 compared with just \$24,000 for the same period last year.

The expectation is that operating cash surpluses will continue through to the March 2020 quarter after which the June quarter, which includes the annual harvest costs, will be negative. This pattern of three positive quarters followed by a negative June quarter is the normal cash flow pattern for the business.

**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")

**30 September 2019**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,007	1,007
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(342)	(342)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(148)	(148)
(f) administration and corporate costs	(60)	(60)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(95)	(95)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>362</b>	<b>362</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(117)	(117)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(117)</b>	<b>(117)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	-
3.6	Repayment of borrowings	(137)	(137)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(137)</b>	<b>(137)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	(339)	(339)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	362	362
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(117)	(117)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(137)	(137)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>(231)</b>	<b>(231)</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	221	156
5.2 Call deposits	-	-
5.3 Bank overdrafts	(452)	(495)
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>(231)</b>	<b>(339)</b>

**6. Payments to directors of the entity and their associates**

<b>Current quarter \$A'000</b>
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- 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

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The amount includes payment for:

- Salary and superannuation      38
- Secretarial services              10

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

<b>Current quarter \$A'000</b>
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- 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

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- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. <b>Financing facilities available</b> <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	3,600	3,600
8.2 Credit standby arrangements	-	-
8.3 Other - Overdraft	500	452
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	Variable base rate less a margin of 2.81%
• Secured	
Overdraft facility	
• Lender	CBA
• Interest Rate	9.06% pa
• Secured	

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(465)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(131)
9.6 Administration and corporate costs	(55)
9.7 Other- Finance payments (including debt reduction)	(271)
- Replanting costs	(83)
<b>9.8 Total estimated cash outflows</b>	<b>(1,005)</b>
<b>Note:</b> Cash inflows from customers for the next quarter are expected to exceed \$1m	

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: .....  
**Managing Director**

Date: **31 October 2019**

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.