



**Australian  
Agricultural  
Projects Ltd**

ABN: 19 104 555 455

**Head Office**  
Suite 14, 456 St Kilda Road  
Melbourne VIC 3004

P: 0417 001 446  
E: admin@voopl.com.au

**MARKET UPDATE  
QUARTER ENDED 30 SEPTEMBER 2022**

**ANNOUNCEMENT**

**26 OCTOBER 2022**

Australian Agricultural Projects Ltd (ASX: **AAP**) (**Company**) is pleased to present its report for the quarter ended 30 September 2022 and advises:

- The orchard has received in the region of its average annual rainfall over the past month consistent with most of northern Victoria. Flood conditions similar to those in 2011 have been experienced with water flowing onto the orchard quicker than it could exit. Pleasingly, largely as a result of drainage and earth works completed as part of the replanting programme, the water has flowed across the property quicker than in the past with only small areas experiencing extended inundation. Further rain is expected this week and management are maintaining a watching brief.
- The extended wet conditions since harvest have impacted orchard operations including:
  - restricted orchard access has meant it has not been possible to complete many orchard activities on a timely basis;
  - collections of oil have been deferred as a result of restricted road access; and
  - short term savings in irrigation water and power costs.
- An assessment of the impact of the flood on the olive trees, especially those planted in March 2022, will be made once the orchard is trafficable. Given the experience from the 2011 flood, the expectation is that there will be no material long term impact on the orchard.
- The level of buds on the trees that were capable of being inspected appear to be in line with management's expectations. Flowering is due in early November 2022. Subsequent to flowering and as soon as orchard access is improved, orchard management will make assessments of fruit set and form initial assessments of the likely 2023 crop.
- All oil produced last harvest has been sold. All extra virgin olive oil has been sold to Cobram Estate under the olive supply agreement and all of the virgin olive oil produced has been sold to third parties at prices consistent with budget. Deliveries of the oil have commenced and initial plans are for all oil to be dispatched by the end of January 2023.

**Quarterly cash flow**

The cash receipts for the September quarter amounted to \$734,000 which compares with \$1,364,000 for the same period last year and the operating surplus was \$53,000 compared with \$488,000 for the same period last year. This result is consistent with the orchard operating cycle with the smaller 2022 harvest (when compared with the 2021 harvest) resulting from an "off year" in the biennial cycle of the orchard. The cash flow result for the quarter was further impacted with sales receipts being deferred as a consequence of the time required to market the virgin olive oil post harvest rather than automatically supply it to Cobram Estate.

The Company anticipates that it will continue to operate with a surplus operating cash flow for the December and March quarters as the majority of the proceeds from the sale of oil are received before deficit operating cashflows in June 2023 as the costs for the annual harvest are incurred. This pattern is consistent with the normal cashflows of the business.

The payments to related parties of the Company set out in section 6 of the attached Appendix 4C represents salary and superannuation entitlements and company secretarial fees paid to the directors during the quarter.

**AUTHORISED BY:**  
**Paul Challis**  
***Managing Director***

**Enquiries may be directed to:**  
Paul Challis – Managing Director

E: [paul.challis@voopl.com.au](mailto:paul.challis@voopl.com.au)

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

**ABN**

19 104 555 455

**Quarter ended ("current quarter")**

30 SEPTEMBER 2022

<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	734	734
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(433)	(458)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(150)	(125)
(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	(38)	(38)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Government grants)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>53</b>	<b>53</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) 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>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	175	175
3.6	Repayment of borrowings	(5)	(5)
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>170</b>	<b>170</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 period	68	68
4.2	Net cash from / (used in) operating activities (item 1.9 above)	53	53
4.3	Net cash from / (used in) investing activities (item 2.6 above)		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	170	170
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>291</b>	<b>291</b>

<b>5.</b>	<b>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	291	68
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>291</b>	<b>68</b>

**6. Payments to related parties of the entity and their associates**

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
46
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount in item 6.1 includes payment for:

Salary and superannuation	38
Secretarial fees	8

**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	7,032	6,834
7.2 Credit standby arrangements	-	-
7.3 Other	513	13
7.4 <b>Total financing facilities</b>	<b>7,545</b>	<b>6,847</b>

7.5 **Unused financing facilities available at quarter end** 698

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

**Bank Loan Facility**

- Amount \$5,192,500
- Lender: NAB
- Interest Rate Variable –4.68% pa as at 30 September 2022
- Matures 30 April 2025
- Secured

**Shareholder Loan Facility**

- Amount \$1,839,000 limit – drawn to \$1,641,000
- Lender Various shareholders
- Interest Rate 7.66% pa (weighted average)
- Matures 31 October 2023
- Unsecured

**Asset Finance Facility**

- Amount \$512,534 – drawn to \$12,534
- Lender NAB / Equipment providers
- Interest Rate 3.75% pa (weighted average)
- Matures 30 April 2025
- Secured

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	53
8.2 Cash and cash equivalents at quarter end (Item 4.6)	291
8.3 Unused finance facilities available at quarter end (Item 7.5)	698
8.4 Total available funding (Item 8.2 + Item 8.3)	989
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	n/a

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

### 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.

Date: 26 October 2022

Authorised by: The Board of Directors.

(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.