



Australian Agricultural Projects Limited

ABN: 19 104 555 455

**ASX Appendix 4E
Preliminary Final Report**

For the year ended 30 June 2021
(incorporating information pursuant to ASX Listing Rule 4.3A)

Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1 – Details of entity, reporting period

Name of Entity	Australian Agricultural Projects Limited
ABN	19 104 555 455
Financial Period	Year ended 30 June 2021
Previous Corresponding Reporting Period	Year ended 30 June 2020

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	3,319	195%
Profit from ordinary activities after tax attributable to members	595	n/a
Net profit attributable to members	595	n/a

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	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.

Part 3 – Contents of ASX Appendix 4E

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

	Part	2021 \$	2020 \$
Revenue	8(a)	3,319,410	1,124,177
Cost of sales		(1,664,713)	(1,696,250)
Gross profit/(loss)		<u>1,654,697</u>	<u>(572,073)</u>
Other revenue	8(b)	119,951	50,007
Corporate and administrative expenses		(384,302)	(332,352)
Depreciation and amortisation		(462,450)	(432,917)
Borrowing costs		(540,102)	(380,809)
Revaluation of investment property		207,175	-
Profit / (loss) before income tax		<u>594,969</u>	<u>(1,668,144)</u>
Income tax expense		-	-
Net profit / (loss) after income tax		<u>594,969</u>	<u>(1,668,144)</u>
Other Comprehensive Income			
Revaluation of bearer plants		1,474,080	684,819
Total Comprehensive Income		<u><u>2,069,049</u></u>	<u><u>(983,325)</u></u>
Basic earnings per share (cents)	16	0.20	(0.88)
Diluted earnings per share (cents)	16	<u>0.16</u>	<u>(0.88)</u>

Part 5 – Consolidated Statement of Financial Position

	Part	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents		134,941	101,286
Trade and other receivables		3,050,607	1,120,154
Inventories		391,216	84,056
Other	10	118,764	114,389
Total Current Assets		3,695,528	1,419,885
NON-CURRENT ASSETS			
Property, plant & equipment		1,009,981	1,039,201
Bearer plants	11	10,721,278	9,423,565
Investment property	12	1,760,725	1,553,550
Total Non-Current Assets		13,491,984	12,016,316
TOTAL ASSETS		17,187,512	13,436,201
CURRENT LIABILITIES			
Bank overdraft		-	21,606
Trade and other payables		2,444,803	2,061,244
Provisions		275,081	315,255
Loans and borrowings	13	270,708	130,554
Total Current Liabilities		2,990,592	2,528,659
NON-CURRENT LIABILITIES			
Loans and borrowings	13	6,676,359	5,458,362
Total Non-Current Liabilities		6,676,359	5,458,362
TOTAL LIABILITIES		9,666,951	7,987,021
NET ASSETS		7,520,561	5,449,180
EQUITY			
Contributed equity	14	24,339,186	24,336,854
Reserves		3,163,887	1,689,807
Accumulated losses		(19,982,512)	(20,577,481)
TOTAL EQUITY		7,520,561	5,449,180

Part 6 – Consolidated Statement of Cash Flows

	Part	2021 \$	2020 \$
Cash flows from operating activities			
Cash receipts in the course of operations		1,451,556	3,335,475
Cash payments in the course of operations		(2,059,355)	(3,113,401)
Interest received		-	7
Interest paid		(560,510)	(389,731)
Other receipts		113,600	50,000
Net cash used in operating activities		(1,054,709)	(117,650)
Cash flows from investing activities			
Proceeds from the sale of assets		16,000	-
Payments for bearer plants		(72,241)	(155,947)
Payments for property, plant and equipment		(194,271)	(81,583)
Net cash used in investing activities		(250,512)	(237,530)
Cash flows from financing activities			
Proceeds from issue of securities (net of costs)	14	2,332	1,495,888
Proceeds from loan facilities		5,463,453	44,634
Repayment of loan facilities		(3,665,587)	(729,000)
Proceeds from hire purchase facilities		-	71,002
Repayment of hire purchase liabilities		(439,716)	(108,810)
Net cash provided by financing activities		1,360,482	773,714
Net increase in cash and cash equivalents		55,261	418,534
Cash and cash equivalents at the beginning of the year		79,680	(338,854)
Cash and cash equivalents at the end of the year		134,941	79,680
Cash and cash equivalents represented by:			
Cash at bank and in deposits		134,941	101,268
Bank overdraft		-	(21,606)
Cash and cash equivalents in the statement of cash flows		134,941	79,680

Part 7 – Consolidated Statement of Changes in Equity

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance as at 1 July 2019	22,840,966	1,004,988	(18,909,337)	4,936,617
Loss for the year after income tax	-	-	(1,668,144)	(1,668,144)
Other comprehensive income for the year	-	684,819	-	684,819
Total comprehensive income for the year	-	684,819	(1,668,144)	(983,325)
Contributions of equity (net of costs)	1,495,888	-	-	1,495,888
Balance as at 30 June 2020	24,336,854	1,689,807	(20,577,481)	5,449,180
Balance as at 1 July 2020	24,336,854	1,689,807	(20,577,481)	5,449,180
Profit for the year after income tax	-	-	594,969	594,969
Other comprehensive income for the year	-	1,474,080	-	1,474,080
Total comprehensive income for the year	-	1,474,080	594,969	2,069,049
Contributions of equity (net of costs)	2,332	-	-	2,332
Balance as at 30 June 2021	24,339,186	3,163,887	(19,982,512)	7,520,561

Part 8 – Revenue and income

(a) Revenue from continuing operations

	2021 \$	2020 \$
Management fees	1,498,327	472,962
Lease fees from the investment property	700,716	406,636
Production sharing	1,120,367	244,579
	<u>3,319,410</u>	<u>1,124,177</u>

(b) Other revenue

Interest received	-	7
Gain on sale of assets	6,351	-
Covid related government grants	113,600	50,000
	<u>119,951</u>	<u>50,007</u>

COVID-19 related government grants comprised \$63,600 jobkeeper payments and \$50,000 cash flow boost.

Part 9 – Expenses

(a) Personnel expenses

Wages and salaries cost	623,819	591,269
Superannuation costs	57,311	57,629
Change in liability for annual and long service leave	18,664	13,472
Non-executive directors' fees	12,000	12,000
	<u>711,794</u>	<u>674,370</u>

In 2021, \$599,395 (2020: \$578,070) of personnel expenses were included in cost of sales and the balance, \$112,399 (2020: \$96,300), was included in corporate and administrative expenses.

Part 10 – Other current assets

Prepayments	47,814	46,739
Security deposits	70,950	67,650
	<u>118,764</u>	<u>114,389</u>

Part 11 – Bearer plants

Olive trees	<u>10,721,278</u>	<u>9,423,565</u>
Movement consists of:		
Opening balance	9,423,565	8,778,853
Depreciation	(248,608)	(196,054)
Capital improvements	72,241	155,947
Revaluation of olive trees	1,474,080	684,819
	<u>10,721,278</u>	<u>9,423,565</u>

Part 12 – Investment property

	2021 \$	2020 \$
Investment property	1,760,725	1,553,550
Movement consists of:		
Opening balance	1,553,550	1,553,550
Revaluation	207,175	-
	1,760,725	1,553,550

Part 13 – Loans and Borrowings

Current borrowings

Hire purchase liabilities	20,708	130,554
Unsecured loan facilities	250,000	-
Total current loans and borrowings	270,708	130,554

Non current loans and borrowings

Hire purchase liabilities	17,859	347,728
Unsecured loan facilities	1,466,000	1,466,000
Secured bank facility	-	3,644,634
Secured syndicated loan facility	5,192,500	-
Total non current loans and borrowings	6,676,359	5,458,362
Total loans and borrowings	6,947,067	5,588,916

In May 2021, the Company refinanced its principal banking facilities with a syndicated loan facility. This syndicated facility was used to repay the following CBA Bank facilities:

- Overdraft;
- Bank guarantees;
- Equipment financing contracts; and
- Term loan.

The terms of the syndicated facility include:

- Initial term until 14 August 2022;
- An option for the Company to extend the term for a further 12 months; and
- An interest rate of 9%.

Part 14 – Contributed equity and reserves

(a) Issued capital

	2021 \$	2020 \$
305,041,626 (2020: 304,716,768) fully paid ordinary shares	24,339,186	24,336,854

Movements in ordinary share capital

	Date	No of shares	Issue price	\$
Balance	30 June 2019	152,358,384		22,840,966
Shares subscribed under the Share Entitlement Issue	16 Mar 2020	116,595,566	0.01	1,165,956
Share issue transaction costs	16 Mar 2020	-	0.00	(27,696)
Issue of shares arising from placement of shortfall shares from Share Entitlement Issue	15 May 2020	35,762,818	0.01	357,628
Balance	30 June 2020	304,716,768		24,336,854
Issue of shares on exercise of options	26 May 2021	324,858	0.015	4,873
Share issue transaction costs	26 May 2021	-	0.00	(2,541)
Balance	30 June 2021	305,041,626		24,339,186

(b) Options

The Company has 75,854,327 (2020: 76,179,185) options on issue. These options have the following terms:

- Exercise price 1.5 cents
- Expiry date 22 December 2023

These options are not listed on the ASX.

On 26 May 2021, 324,858 of these options were exercised.

Part 15 – 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 16 – Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2021 was based on the profit attributable to ordinary shareholders of \$594,969 (2020: loss of \$1,668,144) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2021 of 304,747,919 (2020: 190,087,229).

(b) Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2021 was based on the profit attributable to ordinary shareholders of \$594,969 and the number of fully diluted ordinary shares calculated as follows:

Ordinary shares issued at 30 June 2021	305,041,626
Options on issue	<u>75,854,327</u>
Total diluted shares on issue	<u>380,895,953</u>

In 2020, diluted loss per share does not show an inferior view of the earnings performance of the Group than is shown by the basic loss per share and is disclosed the as the same as the undiluted amount for this reason.

Part 17 – Net Tangible Assets per Security

	2021	2020
Net tangible asset backing per ordinary security 305,041,626 (2020: 304,716,768) shares used for NTAS calculation	<u>2.47 cents</u>	<u>1.79 cents</u>

Part 18 – Segment Information

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

Part 19 – Audit Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	
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: <p style="text-align: center;">Not Applicable</p>			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: <p style="text-align: center;">Not Applicable</p>			