

# Appendix 4D

## Half-Year Report

Name of Entity

**Pacific Dairies Limited**

ABN or equivalent company reference	Half-yearly (tick)	Preliminary final (tick)	Financial year ended ('current period')
A.B.N. 84 095 821 971	√		6 months ended 31 Dec 16

### Results for announcement to the market

Results	A \$'000		
Total revenues	down	100%	to \$0
Net loss for the period attributable to members	up	284%	to (\$552)

Dividends	Amount per security	Franked amount per security
Final dividend – no dividend is proposed	N/A	N/A
Previous corresponding period – no dividend declared	N/A	N/A
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	N/A	

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.000	\$0.000

**Explanation of Net Profit / (Loss)**

**Refer to Directors Report – Review of Operations**

**1. Details of entity over which control has been gained or lost during the period:**

No change during the period.

**2. Details of individual and total dividends or distribution payments. The details must include the date on which each dividend or distribution is payable, and if known the amount per security of foreign sourced dividend or distribution.**

Not applicable - no dividends have been declared or paid.

**3. Details of any dividends or distribution reinvestment plans in operations and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

Not applicable

**4. Details of associated joint venture entities**

Not applicable

**This report is based on:**

The financial report has been reviewed by an independent auditor.

Sign here:



(Company Secretary)

Date: 27 November 2017

Print name: Justyn Stedwell

**PACIFIC DAIRIES LIMITED**

ACN 095 821 971

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**December 2016**

**HALF YEAR REPORT**

# **PACIFIC DAIRIES LIMITED (ACN 095 821 971)**

(formerly known as Australian Natural Proteins Limited)

## **Condensed Financial Report for the Half Year Ended 31 December 2016**

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# PACIFIC DAIRIES LTD (ACN 095 821 971)

## DIRECTORS' REPORT

For the half-year ended 31 December 2016

Your directors present their report, together with the financial statements of Pacific Dairies Limited for the half-year ended 31 December 2016.

### OPERATIONS

The Board of Directors remain committed to positioning the company as a significant operator in the dairy industry.

The 2016/17 year was one of transition, the Company changing its name from Australian Natural Proteins Limited to Pacific Dairies Limited, focusing on the Dairy Project in the Riverina and potential Fijian Joint Venture with Asia Pacific logistics Pty Ltd. The prime focus of the company has been to obtain debt funding for the Australian dairy farms and following on from this, limited equity raising to further the understanding of the Fijian opportunity.

Debt funding has run into a number of obstacles during this past year, due to some of the negative press articles that have been directed at the company, in addition to the general adverse investor sentiment resulting from the Murray Goulburn debacle and other major manufacturers, dropping the farm gate milk price to below farm cost levels. Recent recovery in the dairy industry has assisted with interest from potential overseas funders.

Thankfully the underlying value of our project has held up and completion of debt funding is expected third quarter of this financial year. In addition, the recovery of milk prices has renewed market interest in the Dairy Sector. In anticipation of the eventual success in obtaining funding, we have purchased a number of high index cattle from one of the identified farms, where they have remained on an adjustment arrangement until the farm purchase is completed.

We have also continued to explore the opportunity in Fiji and have received significant encouragement from the highest levels of Government. We are anticipating to finalise an investment decision shortly.

In the meantime, the Board continues to attend to its day to day activities with emphasis on maintaining the Group's working capital reserves.

### CAPITAL RAISING

During the past year the company continues to raise capital with the issue of Convertible Notes at a conversion rate of 100 shares per note (\$0.01 per share). As at 31 December 2016, the amount of \$125,000 was received. Since then, further monies were raised and the balance of Convertible Notes as at the date of this report totalled \$557,000.

### SHARE ISSUES

Date	Number of Shares issued	Issue Price	Detail
01 August 2016	6,171,428	\$0.035	Issue of shares in lieu of previous years' Directors Fees as approved at the Company's Annual General Meeting
01 August 2016	9,757,143	\$0.035	Issue of Shares upon conversion of Convertible Notes and Options

# **PACIFIC DAIRIES LTD (ACN 095 821 971)**

## **DIRECTORS' REPORT**

For the half-year ended 31 December 2016

### **GOING CONCERN**

The financial information has been prepared on the "going concern" basis, which assumes the continuation of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The continuance of business activities for the company will be dependent on further successful capital raising and Bond or debt funding.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In the opinion of Directors there were no significant changes in the state of affairs of the group that occurred in the half year under review, that are not disclosed elsewhere or in the financial statements accompanying this report.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

Since the end of the 2016 financial year the Company has focused on a significant reform program to restructure the company and put together a portfolio of agricultural assets and business opportunities for acquisition.

This Directors Report, is signed in accordance with a resolution of the Board of Directors.

**Paul Duckett**  
**Chair of Directors**

A handwritten signature in black ink, appearing to read 'Paul Duckett', with a long horizontal flourish extending to the right.

22 November 2017

Advantage Advisors Audit Partnership

Audit & Assurance Services

Level 7, 114 William Street  
Melbourne VIC 3000  
Australia

GPO Box 2266  
Melbourne VIC 3001  
Australia

ABN 47 075 804 075

T +61 3 9274 0600

F +61 3 9274 0660

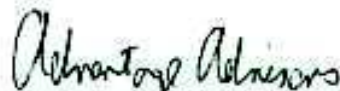
[audit@advantageadvisors.com.au](mailto:audit@advantageadvisors.com.au)

[advantageadvisors.com.au](http://advantageadvisors.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF PACIFIC DAIRIES LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



**ADVANTAGE ADVISORS AUDIT PARTNERSHIP  
CHARTERED ACCOUNTANTS**



**BEN BESTER  
PARTNER**

Dated in Melbourne on this

23 day of November 2017

# PACIFIC DAIRIES LIMITED (ACN 095 821 971)

FORMERLY KNOWN AS AUSTRALIAN NATURAL PROTEINS LIMITED

## Condensed Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2016

	<i>Dec 2016</i>	<i>Dec 2015</i>
	\$	\$
<b>REVENUE FROM OPERATING ACTIVITIES</b>		
Revenue	54	2,669
Financing expenses	-	(2,442)
Employee benefits expense	(33,420)	(1,174)
Consultant & contractor expenses	(169,532)	(77,273)
Depreciation expenses	(118)	(5,686)
Directors' fees	(114,000)	-
Other expenses	(185,785)	(110,021)
Loss on disposal of fixed asset	(48,847)	-
<b>Total expenses</b>	<b>(551,702)</b>	<b>(196,596)</b>
<b>Loss from operating activities</b>	<b>(551,648)</b>	<b>(193,927)</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(551,648)</b>	<b>(193,927)</b>
Income tax expense	-	-
<b>Loss for the year</b>	<b>(551,648)</b>	<b>(193,927)</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(551,648)</b>	<b>(193,927)</b>
<b>Earnings per share</b>		
Basic earnings per share (cents)	(0.17)	(0.07)
Diluted earnings per share (cents)	(0.17)	(0.07)

This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# PACIFIC DAIRIES LIMITED (ACN 095 821 971)

FORMERLY KNOWN AS AUSTRALIAN NATURAL PROTEINS LIMITED

## Condensed Statement of Financial Position As at 31 December 2016

	<i>Dec 2016</i>	<i>Jun 2016</i>
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	34,934	535,916
Trade and other receivables	3,700	-
Biological assets	286,000	-
<b>Total Current Assets</b>	<b>324,634</b>	<b>535,916</b>
<b>Non-current Assets</b>		
Property, plant and equipment	463	29,756
Property acquisition costs in advance	-	69,672
<b>Total Non-current Assets</b>	<b>463</b>	<b>99,428</b>
<b>TOTAL ASSETS</b>	<b>325,097</b>	<b>635,344</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	78,241	255,547
Loans and borrowings	125,000	263,792
<b>Total Current Liabilities</b>	<b>203,241</b>	<b>519,339</b>
<b>TOTAL LIABILITIES</b>	<b>203,241</b>	<b>519,339</b>
<b>NET ASSETS</b>	<b>121,857</b>	<b>116,005</b>
<b>EQUITY</b>		
Contributed equity	19,854,294	19,296,794
Accumulated losses	(19,732,437)	(19,180,789)
<b>TOTAL EQUITY</b>	<b>121,857</b>	<b>116,005</b>

This Statement of Financial Position should be read in conjunction with the accompanying notes.

# PACIFIC DAIRIES LIMITED (ACN 095 821 971)

FORMERLY KNOWN AS AUSTRALIAN NATURAL PROTEINS LIMITED

## Condensed Statement of Changes in Equity for the Half-Year Ended 31 December 2016

	<i>Issued capital</i>	<i>Accumulated losses</i>	<i>Reserves</i>	<i>Total</i>
	\$	\$		\$
<b>At 30 June 2015</b>	17,901,261	(18,498,855)	-	(597,594)
Shares issued during the period	766,999	-	-	766,999
Net loss for period	-	(193,927)	-	(193,927)
<b>At 31 December 2015</b>	<b>18,668,260</b>	<b>(18,692,781)</b>	-	<b>(24,521)</b>
<b>At 30 June 2016</b>	19,296,794	(19,180,789)	-	116,005
Shares issued during the period	557,500	-	-	557,500
Net loss for period	-	(551,648)	-	(551,648)
<b>At 31 December 2016</b>	<b>19,854,294</b>	<b>(19,732,437)</b>	-	<b>121,857</b>

## Condensed Statement of Cash Flows for the Half-Year Ended 31 December 2016

	<i>Dec 2016</i>	<i>Dec 2015</i>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	2,500
Payments to suppliers, employees and others	(312,543)	(210,500)
Interest received	54	169
Interest paid	-	(2,442)
<b>Net cash flows from operating activities</b>	<b>(312,489)</b>	<b>(210,273)</b>
<b>Cash flows from investing activities</b>		
Purchase of Dairy cows	(286,000)	-
Proceeds from sale of property, plant and equipment	50,000	-
<b>Net cash flows from investing activities</b>	<b>(236,000)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Net proceeds of capital issued	-	180,000
Net proceeds from / (repayment of) borrowings	97,500	-
Payment of hire purchase obligations	(49,992)	(6,014)
<b>Net cash flows from financing activities</b>	<b>47,508</b>	<b>173,986</b>
Net increase in cash and cash equivalents	(500,981)	(36,287)
Cash at beginning of financial period	535,916	175,341
<b>Cash and cash equivalents at end of period</b>	<b>34,935</b>	<b>139,054</b>

This Statements of Changes in Equity and Cash Flows should be read in conjunction with the accompanying notes.

## Notes to Financial Statements for the Half-Year Ended 31 December 2016

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### 1 CORPORATE INFORMATION

The financial report includes the financial statements and notes of Pacific Dairies Limited. The financial report was authorised for issue in accordance with a resolution of the directors on 22 November 2017.

Pacific Dairies Limited (the Company) is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares were publicly traded on the Australian Stock Exchange.

On 17 November 2016, the company changed its name from Australian Natural Proteins Limited to Pacific Dairies Limited.

The nature of the operations and principal activities of the Group are described in the directors' report, neither of which are part of these financial statements.

The registered office of Pacific Dairies Limited is located at 21 Wells Road, Mordialloc, Victoria 3185.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The interim condensed financial statements for the half-year ended 31 December 2016 have been prepared in accordance with the requirements of Australian Accounting Standard AASB 134 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as at 30 June 2016, and any public announcements made by Pacific Dairies Limited during the half-year in accordance with the continuous disclosure requirements of the ASX listing rules.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2016. In the half year the Company has reviewed all of the revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Company and effective for annual reporting periods beginning on or after 1 July 2016. It has been determined that there is no impact on the Company, material or otherwise, of those pronouncements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### (b) Going Concern

The condensed financial statements have been prepared on the basis of going concern which contemplates the continuity of current activities. During and since the end of the reporting period the Board of Directors has continued to focus on a significant program to restructure the Company. The objective is for the Group to raise sufficient capital to satisfy short term liquidity requirements, and to explore avenues to acquire and aggregate a portfolio of dairy farms.

The Group reported an operating loss of \$551,648 and cash outflows on operations of \$312,489 for the half-year ended 31 December 2016, and as at that date had net current asset of \$324,634.

The ability of the Group to continue normal business activities will be dependent on its ability to successfully raise further capital and Bond or alternative debt funding.

In consideration of the above matters, the Directors have determined that it is reasonably foreseeable that the Company and the Group will continue as going concerns and that it is appropriate that the going concern method of accounting be adopted in the preparation of the financial statements. In the event that the Company and the Group are unable to continue as going concerns (due to an inability to raise funding for future requirements), they may be required to realise their assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

The condensed financial statements do not include adjustments relating to the recoverability and classification of asset amounts or to the amounts and classification of liabilities that might be necessary if the Company and the Group were not to continue as going concerns.

### 3 OPERATING SEGMENTS

The Group is not currently operational, and nor was it for the comparative financial period. Accordingly, there are no allocations of the financial results, or assets, liabilities and cash flows to any operating segment.

### 4 EVENTS AFTER THE REPORTING DATE

Since the reporting date, the Company has continue to actively pursue its options and ambitions to incorporate a dairy portfolio expansion program into its agricultural intentions. No significant reportable events have occurred.

### 5 CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the last annual reporting period.

# **PACIFIC DAIRIES LTD** (ACN 095 821 971)

## **DIRECTORS' DECLARATION**

For the half-year ended 31 December 2016

In the opinion of the directors:

1. The financial statements and notes of Pacific Dairies Limited for the half-year ended 31 December 2016 are in accordance with the *Corporations Act 2001*, including:
  - a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
  - b. complying with Accounting Standards and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors and signed in Melbourne on 22 November 2017



**Paul Duckett**

**Chairman**

Dated: 22 November 2017

Advantage Advisors Audit Partnership

Audit & Assurance Services

Level 7, 114 William Street  
Melbourne VIC 3000  
Australia

GPO Box 2265  
Melbourne VIC 3001  
Australia

ABN 47 075 804 075

T +61 3 9274 0600

F +61 3 9274 0660

[audit@advantageadvisors.com.au](mailto:audit@advantageadvisors.com.au)

[advantageadvisors.com.au](http://advantageadvisors.com.au)

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PACIFIC DAIRIES LIMITED**

### **Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Pacific Dairies Limited, which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pacific Dairies Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF PACIFIC DAIRIES LIMITED (Continued)**

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pacific Dairies Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pacific Dairies Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**Material Uncertainty Regarding Continuation as a Going Concern**

We draw attention to Note 2(b) in the financial report, which comments on the consolidated entity's continuation as a going concern, depending on its success in obtaining additional capital or other funds. These conditions, along with other matters set out in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our conclusion is not modified in respect of this matter.

  
**ADVANTAGE ADVISORS AUDIT PARTNERSHIP  
CHARTERED ACCOUNTANTS**

  
**BEN BESTER  
PARTNER**

Dated in Melbourne on this 23 day of November 2017