

Appendix 4D

Half-Year Report

Name of Entity

Pacific Dairies Limited

ABN or equivalent company reference	Half-yearly (<i>tick</i>)	Preliminary final (<i>tick</i>)	Financial year ended (<i>'current period'</i>)
A.B.N. 84 095 821 971	√		6 months ended 31 Dec 17

Results for announcement to the market

Results	A \$'000	
Total revenues	down	100% to \$0
Net loss for the period attributable to members (\$,000)	down	38.3% to (\$340)

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: 9th July 2018

Print name: Justyn Stedwell

PACIFIC DAIRIES LIMITED



ACN: 095 821 971

2018
HALF YEAR
REPORT

PACIFIC DAIRIES LTD (ACN 095 821 971)
Financial Report
For the half year ended 31 December 2017

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PACIFIC DAIRIES LTD (ACN 095 821 971)
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For the half year ended 31 December 2017

Corporate Directory

Directors

Paul Duckett	Executive Chairman
Ray Taylor	Non-Executive Director
Christopher Egan	Non- Executive Director

Share registry

Board Room Pty Limited
Level 12
225 George Street
Sydney NSW 2000
Investor Enquiries:
Within Australia 1300 737 760
Outside Australia +61 2 9290 9600

Secretary

Justyn Stedwell

Auditor

Walker Wayland Advantage Audit Partnership
Level 7
114 William Street
Melbourne VIC 3000
Telephone: +61 3 9274 0600

Registered office and principal place of business

21 Wells Road
Mordialloc VIC 3195
Telephone: +61 3 9653 7338
Facsimile: +61 3 9653 9122

Stock exchange listing

Australian Stock Exchange Ltd
(Home Branch- Melbourne)
ASX Code: PDF

Website

Not Applicable

Bankers

Westpac Banking Corporation
203 Boundary Road
Braeside VIC 3195

PACIFIC DAIRIES LTD (ACN 095 821 971)
Financial Report
For the half year ended 31 December 2017

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of Pacific Dairies Limited for the year half year ended 31 December 2017.

Operations

The prime focus of the company continues to be to obtain financing for the Australian 5 farm acquisitions approved at our 2016 AGM and limited equity raising to further the Fijian opportunity.

General capital market concern has continued amongst international investors due to the Murray Goulburn debacle and other major manufacturers, significantly dropping the farm gate milk price. The signs of recovery in the industry has assisted with our efforts to reassure potential investors of our belief in the long-term potential of the industry.

Thankfully the underlying value of our project has held up and completion of debt funding anticipated to occur during the first half of 2018. The recovery of milk prices has renewed market interest in the Dairy Sector. Our earlier purchase of a number of high index cattle remain an asset and they have remained on an agistment arrangement until the farm purchase is completed. The Board is appreciative and encouraged by our farmers who have continued their support during the raising of debt funds. The support of major shareholders has also been encouraging during this period.

We have also continued to explore the opportunity in Fiji which is of major interest to potential debt funders. The Board have been significantly encouraged by the high levels of Government interest in dairying and scope of the possibilities for the company arising out of the due-diligence process. We are expecting to finalise an investment decision to proceed following finalisation of the funding process.

Capital Raising

Due to the need to progress work on the Fiji Project and maintain the commitment of the Australian farms to our acquisition plans, a limited Convertible Loan raising was undertaken in mid-2017/2018.

The below table set out details of the Shares issued during the 6-month period and since the end of the period.

Date	Number of Shares issued	Issue Price	Details
6 July 2017	5,833,333	\$0.007	Exercise of Options
7 February 2018	39,200,000	\$0.01	Conversion of Convertible Loans
12 June 2018	1,000,000	\$0.01	Conversion of Convertible Loans

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 is dependent on successful debt and equity raising ahead of farm acquisitions.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Since the end of the 2015 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.

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



Paul Duckett
Chair of Directors

Dated: 28th June 2018

Walker Wayland Advantage Audit Partnership

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**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 2017 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.

Walker Wayland Advantage
**WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS**

Bent
**BEN BESTER
PARTNER**

Dated in Melbourne on this 28 day of June 2018

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PACIFIC DAIRIES LTD (ACN 095 821 971)
Financial Report
For the half year ended 31 December 2017

Statement of Profit or Loss and Other Comprehensive Income
for the Half Year Ended 31 December 2017

<i>Note</i>	31 Dec 2017	31 Dec 2016
	\$	\$
OPERATIONS		
Revenue	-	54
Employee benefits expense	(33,420)	(33,420)
Consultant & contractor expenses	(112,986)	(169,532)
Depreciation of plant & equipment	(47)	(118)
Directors' fees	(114,000)	(114,000)
Other expenses	(79,144)	(185,785)
Loss on disposal of plant & equipment	-	(48,847)
Total expenses	(340,361)	(551,702)
Loss from operating activities before income tax	(340,361)	(551,648)
Income tax expense	-	-
Loss for the year	(340,361)	(551,648)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	(340,361)	(551,648)
Earnings per share		
Basic earnings per share (cents)	(0.10)	(0.17)
Diluted earnings per share (cents)	(0.10)	(0.17)

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

PACIFIC DAIRIES LTD (ACN 095 821 971)
Financial Report
For the half year ended 31 December 2017

Statement of Financial Position
As at 31 December 2017

<i>Note</i>	31 Dec 2017	31 Dec 2016
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	93,641	34,935
Trade and other receivables	267	3,700
Biological assets	286,000	286,000
Prepayments	10,000	-
Total Current Assets	389,908	324,635
Non-current Assets		
Property, plant and equipment	418	463
Total Non-current Assets	418	463
TOTAL ASSETS	390,326	325,098
LIABILITIES		
Current Liabilities		
Trade and other payables	391,055	78,241
Borrowings	-	125,000
Provisions	10,180	-
Total Current Liabilities	401,235	203,241
TOTAL LIABILITIES	401,235	203,241
NET ASSETS	(10,909)	121,857
EQUITY		
Contributed equity	20,453,427	19,854,294
Accumulated losses	(20,464,336)	(19,732,437)
TOTAL EQUITY	(10,909)	121,857

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

PACIFIC DAIRIES LTD (ACN 095 821 971)
Financial Report
For the half year ended 31 December 2017

Statement of Changes in Equity
for the Year Ended 31 December 2017

	Issued capital	Accumulated losses	Convertible Note Reserve	Total
	\$	\$	\$	\$
At 30 June 2016	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)
At 31 Dec 2016	19,854,294	(19,732,437)	-	121,857
At 30 June 2017	19,854,295	(20,123,976)	508,267	238,586
Shares issued during the period	40,833	-		40,833
Convertible Notes received as at 31/12/17			50,033	50,033
Shares issued in lieu of Directors Fees (2017)	-			-
Net loss for period	-	(340,361)		(340,361)
At 31 December 2017	19,895,128	(20,464,337)	558,300	(10,909)

Statement of Cash Flows
for the Year Ended 31 December 2017

	31 Dec 2017	31 Dec 2016
	\$	\$
Cash flows from operating activities		
Payments to suppliers, employees and others	(254,987)	(312,543)
Interest received	-	54
Net cash flows from operating activities	(254,987)	(312,489)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	50,000
Purchase of Dairy Cows	-	(286,000)
Net cash flows used in investing activities	-	(236,000)
Cash flows from financing activities		
Net proceeds from / (repayment of) borrowings	68,800	97,500
Payment of hire purchase obligations	-	(49,992)
Net cash flows from financing activities	68,800	47,508
Net increase in cash and cash equivalents	(186,187)	(500,981)
Cash at beginning of financial period	279,828	535,916
Cash and cash equivalents at end of period	93,641	34,935

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

PACIFIC DAIRIES LTD (ACN 095 821 971)
Financial Report
For the half year ended 31 December 2017

Notes to the Financial Statements for half year ended 31 December 2017

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 25th June 2018.

Pacific Dairies Limited (the Company) is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Stock Exchange. As at the date of this report the Company is suspended from Trading.

The nature of the operations and principal activities of the Group are described in the directors' report.

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 financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and on the basis of historical cost. All amounts are presented in Australian dollars.

(b) Going Concern

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company reported an operating loss of (\$340,361) with revenue of \$0 and expenses on operations of (\$340,361), including Directors Fees of (\$114,000) for the half year ended 31 December 2017, and as at that date had net current assets of (\$11,327) and net equity of (\$10,909).

Since its appointment in February 2015, the Board has focused on a significant reform program to restructure the Group. The Directors' emphasis has been to raise sufficient converting loan notes to satisfy short term liquidity requirements, and to explore avenues to acquire a portfolio of agricultural business opportunities. The Company raised \$68,800 from the proceeds of converting note loans and share issues during the half year ended 31 December 2017.

The continuance of business activities will be dependent on further successful fund raising and bond or debt funding.

The Directors have prepared a cash flow forecast for the year subsequent to the date of approval of this financial report, and based on current cash resources together with the anticipated cash flows over that period, the Group will have sufficient cash resources to continue to pay its debts as and when they fall due.

In consideration of the above matters, the Directors have determined that it is reasonably foreseeable that the Group and the Company 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 Group and the Company are unable to continue as going concerns (due to an inability to raise future funding 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 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 Group and the Company were not to continue as going concerns.

PACIFIC DAIRIES LTD (ACN 095 821 971)
Financial Report
For the half year ended 31 December 2017

Notes to the Financial Statements (continued)
for Year Ended 31 December 2017

3 EVENTS AFTER THE REPORTING DATE

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

4 CONTINGENT LIABILITIES

As at the reporting date there are no contingent liabilities to be reported.

PACIFIC DAIRIES LTD (ACN 095 821 971)
Financial Report
For the half year ended 31 December 2017

DIRECTORS' DECLARATION

In the opinion of the directors:

1. The financial statements and notes of the company and the additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001, including:
 - a. Giving a true and fair view of the consolidated Company's financial position as at 31 December 2017 and of its performance for the year ended on that date; and
 - b. Complying with the Corporations Regulations 2001 and Australian Accounting Standards, which, as stated in accounting policy Note 2(a) to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); 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 has been made after receiving the declaration required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ended 31 December 2017.

This declaration is made in accordance with a resolution of the board of directors and signed in Melbourne 28th June 2017.



Paul Duckett
Chairman

Dated: 28th June 2018

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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 2017, 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.

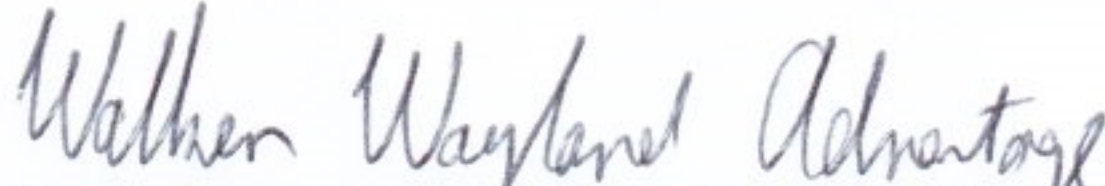
Conclusion

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 2017 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.


**WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS**


**BEN BESTER
PARTNER**

Dated in Melbourne on this 28 day of June 2018