

VEALLS LIMITED

ACN 004 288 000

Registered Office

1st Floor 484 Toorak Road
Toorak Vic 3142

Postal Address

1st Floor 484 Toorak Road
Toorak Vic 3142

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29 August 2014

Company Announcements Office
Australian Stock Exchange
E-Lodgements

Dear Sir / Madam,

PRELIMINARY FINAL REPORT 4E

A copy of the company's Preliminary Final Report 4E for the period ended 30 June 2014 follows.

Yours faithfully



Duncan Veall
Company Secretary

Vealls Limited

ABN 39 004 288 000

Appendix 4E

Preliminary Final Report

For the Year Ending 30 June 2014

Results for announcement to the market

Name of entity:

ABN Reference:

VEALLS LIMITED	39 004 288 000
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Current period

Previous corresponding period

30 June 2014

30 June 2013

Results for announcement to the market

				\$A'000
Revenues	Down	75%	to	3,661
Profit after tax from ordinary activities attributable to members	Down	43%	to	1,946
Net profit attributable to members	Up	181%	to	9,650

Dividends		Amount per security	Franked amount per security at 30% tax
Interim dividend	Record Date: 19 April 2014 Payable: 30 April 2014		
<input type="checkbox"/> Preference shares		0.35c	0.35c
<input type="checkbox"/> Income shares		5.30c	5.30c
There is no conduit foreign income (CFI) component of Dividends			
Final dividend	Record Date: 15 October 2014 Payable: 31 October 2014		
<input type="checkbox"/> Preference shares		0.35c	0.35c
<input type="checkbox"/> Income shares		5.30c	5.30c
<input type="checkbox"/> Capital shares		0.50c	0.50c
There is no conduit foreign income (CFI) component of Dividends			

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary (Capital) security	\$13.36	\$11.58

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Audit of financial statements.

This report is based on accounts which are in the process of being audited and should be read in conjunction with the attached financial statements and commentary on results for the year ended 30 June 2014.



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(Director)

Date: 29 August 2014

Ian Raymond Veall

Vealls Limited

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COMMENTS BY DIRECTORS

1. Revenue

Total revenue for the year was \$3.661m. It comprised for the most part interest income earned in New Zealand on funds generated by the Cardrona ski field over the lengthy period it was owned and operated by the company and subsequently from its sale proceeds.

2. Profit

Consolidated net profit was \$1.946m after income tax expense of \$0.791m from continuing operations and \$7.704m from discontinued operations relating to the sale of the Cardrona ski field assets. Other comprehensive income totalled \$7.039m. It comprised net gains by independent valuation of Investments and the French oak forest (\$3.146m); with foreign currency exchange rates, principally the NZD/AUD rate, resulting in gains of \$3.893m.

3. Cash Flows

Net cash flow was \$45.842m.

4. Financial Position

Total assets increased by \$13.328m, while total liabilities reduced by \$3.025m. Shareholders funds increased as a result by \$16.353m. The NZD/AUD exchange rate continued to be a major factor in this regard.

5. Dividends

Final dividends of 0.35c on preference shares, 5.30c on income shares and 0.50c on capital shares have been declared payable on 31 October 2014. The dividends are fully franked at a tax rate of 30%.

6. Review of Operations

- (a) In furtherance of the actions to be taken under the company's restructure of its operations;
 - (i) Cardrona ski field assets were sold and settled on 15 November 2013. Clear Springs Station at Jingellic NSW was also sold and settled on 4 April 2014.
 - (ii) The subsidiary companies, V.L.Finance Pty Ltd, V.L.Credits Pty Ltd, Tunrove Pty Ltd and Swintons Pty Ltd, were deregistered, with V.L.Pastoral Pty Ltd to also follow shortly. In New Zealand, Vealls (NZ) Ltd was amalgamated with Cardrona Ski Resort Ltd.
- (b) The main feature of the year's operations was the scheduled program of cashing up the company's operations. Cash and cash equivalents has increased significantly as a result. Again the NZD/AUD exchange rate is noted as an important factor.
- (c) Preliminary steps were taken in relation to the disposal of properties at Mt Martha, Victoria and at Moulins, France. It is expected that a period of more than two years may be required to effect this action.

7. Significant features of Operating Performance

The transition from operating through a number of diverse subsidiaries to an end objective of operating through a single investment company based in Singapore was progressed.

8. Other Financial Information

- (a) Basic and diluted earnings per ordinary share was 105.46c compared with 35.54c in the prior year.
- (b) Net tangible asset backing per ordinary share was \$13.36 compared with \$11.58 in the previous year.

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(c) Returns to shareholders (cents per share)

* Preference share dividends	0.70c
* Income share dividends	10.50c
* Capital share dividends	0.50c

(d) Statement of Retained Earnings (Consolidated)

Balance at beginning of year	66,623
Add - profit after tax	9,650
Less – dividends paid	(336)
Balance at end of year	75,937

9. Subsequent events

In the opinion of the directors there are no events subsequent to reporting date that would have a material financial effect on the financial statements for the year ended 30 June 2014.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Economic Entity	
	2014	2013
	\$000	\$000
Revenue	3,661	14,646
Cost of Sales	-	(748)
Employee benefits expense	(182)	(4,157)
Depreciation expense	-	(1,570)
Advertising and Promotion	-	(195)
Foreign exchange loss	-	(5)
Pasture improvement	-	(50)
Transport costs	(13)	(414)
Rates and taxes	(159)	(212)
Repairs and maintenance	(4)	(393)
Insurance	(2)	(299)
Ski-field preparation & events	-	(405)
Light, power and telephone	(65)	(604)
Professional costs	(198)	(619)
Listing & share registry fees	(45)	(40)
Merchant & bank fees	(1)	(361)
Sale expenses	(185)	-
Other expenses	(70)	(402)
Profit before income tax expense	2,737	4,172
Income tax expense	(791)	(732)
Profit after tax from continuing operations	1,946	3,440
Profit after tax from discontinued operations	7,704	-
Profit after tax	9,650	3,440
Other comprehensive income:		
Fair value gains /(losses)		
- Investment property	2,800	-
- Available-for-sale financial assets	(22)	(78)
- Agricultural and biological assets	368	19
Foreign currency translation	3,893	4,253
Total other comprehensive income for the period	7,039	4,194
Total Comprehensive Income for the period	16,689	7,634

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Economic Entity	
	2014	2013
	\$000	\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	99,681	50,908
Non-current assets classified as held for sale	-	37,453
Trade and other receivables	17	606
Inventories	-	346
Agricultural & biological assets	-	4
TOTAL CURRENT ASSETS	99,698	89,317
NON-CURRENT ASSETS		
Investment Properties	18,614	15,776
Available for sale financial assets	218	240
Property, plant and equipment	-	-
Deferred tax assets	55	371
Agricultural & biological assets	3,345	2,898
TOTAL NON-CURRENT ASSETS	22,232	19,285
TOTAL ASSETS	121,930	108,602
CURRENT LIABILITIES		
Trade and other payables	179	3,558
Income tax payable	631	130
Provisions	184	395
TOTAL CURRENT LIABILITIES	994	4,083
NON-CURRENT LIABILITIES		
Trade and other payables	-	-
Deferred tax liabilities	925	861
TOTAL NON-CURRENT LIABILITIES	925	861
TOTAL LIABILITIES	1,919	4,944
NET ASSETS	120,011	103,658
EQUITY		
Issued capital	1,235	1,235
Reserves	42,839	35,800
Retained earnings	75,937	66,623
TOTAL EQUITY	120,011	103,658

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Share Capital	Retained Earnings	General Reserve	Asset Replacement Reserve	Asset Revaluation Reserve	Asset Realisation Reserve	Foreign Currency Translation Reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 July 2012	1,235	62,989	5,981	4,619	15,095	11,992	(5,557)	96,354
Profit for the period	-	3,440	-	-	-	-	-	3,440
Other comprehensive income	-	-	-	-	(59)	-	4,253	4,194
Total Comprehensive Income for the period	-	3,440	-	-	(59)	-	4,253	7,634
Transfers to and from Reserves	-	524	662	-	(654)	-	(532)	-
Dividends paid	-	(330)	-	-	-	-	-	(330)
Balance at 30 June 2013	1,235	66,623	6,643	4,619	14,382	11,992	(1,836)	103,658
 At 1 July 2013	 1,235	 62,623	 6,643	 4,619	 14,382	 11,992	 (1,836)	 103,658
Profit for the period	-	9,650	-	-	-	-	-	9,650
Other comprehensive income	-	-	-	-	3,146	-	3,893	7,039
Total Comprehensive Income for the period	-	9,650	-	-	3,146	-	3,893	16,689
Transfers to and from Reserves	-	-	-	-	-	-	-	-
Dividends paid	-	(336)	-	-	-	-	-	(336)
Balance at 30 June 2014	1,235	75,937	6,643	4,619	17,528	11,992	2,057	120,011

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Economic Entity	
	2014 \$000	2013 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	1,234	13,635
Payments to suppliers and employees (Inclusive of GST)	(925)	(9,276)
Income tax paid	(190)	(852)
Net cash flows from / (used in) operating activities	119	3,507
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,425	1,714
Dividends received	2	9
Purchase of property, plant and equipment	-	(158)
Proceeds from sale of property, plant and equipment	43,632	205
Net cash from / (used in) investing activities	46,059	1,770
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(336)	(330)
Net cash flows from / (used in) financing activities	(336)	(330)
Net increase/(decrease) in cash and cash equivalents	45,842	4,947
Cash and cash equivalents at beginning of year	50,908	44,467
Effects of exchange rate changes on cash	2,931	1,494
Cash and cash equivalents at end of period	99,681	50,908

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E. This preliminary final report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the last annual report issued for the period ended 30 June 2013 and any public announcements made by Vealls Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporation Act 2001. The full annual report for the year ended 30 June 2014 is expected to be available on or before 30 September 2014.

This preliminary financial report has been prepared in accordance with International Financial Reporting Standards (IFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

NOTE 2: REVENUE

	2014 \$000	2013 \$000
(a) Revenue		
— sale of goods	-	1,744
— from services	1,229	10,597
Total	1,229	12,341
(b) Other Revenue		
— Interest	2,425	1,714
— Dividends	2	9
— Rental	-	361
— Sundry	5	75
Total	2,432	2,159
Total Revenue	3,661	14,500
(c) Other Income		
- Net Gain/(Loss) on Disposal of Property Plant & Equipment	7,704	146
Total Other Income	7,704	146
Total Revenue and Other Income	11,365	14,646

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3: OTHER ITEMS

	2014 \$000	2013 \$000
(a) Expenses		
Cost of sales	-	748
Rental expense on operating leases	52	111
	<hr/> 52	<hr/> 859
Depreciation of non-current assets		
Plant and equipment	-	1,335
Buildings	-	235
Total depreciation	<hr/> -	<hr/> 1,570

NOTE 4: SEGMENT INFORMATION

	30 June 2014				30 June 2013			
	Skifield	Investments	Agriculture	Total	Skifield	Investments	Agriculture	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment Revenue								
Sales to external customers	-	-	-	-	12,341	-	-	12,341
Other revenue	-	3,621	40	3,661	568	1,398	339	2,305
Total segment revenue	<hr/> -	<hr/> 3,621	<hr/> 40	<hr/> 3,661	<hr/> 12,909	<hr/> 1,398	<hr/> 339	<hr/> 14,646
Segment net operating profit before tax	<hr/> -	<hr/> 1,983	<hr/> (37)	<hr/> 1,946	<hr/> 3,362	<hr/> 622	<hr/> 188	<hr/> 4,172
ASSETS								
Segment assets	<hr/> -	<hr/> 111,692	<hr/> 10,238	<hr/> 121,930	<hr/> 41,138	<hr/> 61,007	<hr/> 6,197	<hr/> 108,602
LIABILITIES								
Segment liabilities	<hr/> -	<hr/> 1,265	<hr/> 654	<hr/> 1,919	<hr/> 3,817	<hr/> 297	<hr/> 830	<hr/> 4,944

Geographical segments:

Operations are conducted in Australia, New Zealand, Singapore and France.