



AUSTRALIAN NATURAL PROTEINS LIMITED

ACN 095 821 971

Appendix 4E **Preliminary Final Report**

For the Year Ended 30 June 2015

In Compliance with ASX Listing Rule 4.3A

AUSTRALIAN NATURAL PROTEINS LIMITED

APPENDIX 4E - PRELIMINARY FINAL REPORT

(ASX Listing rule 4.2A)

Company Name: Australian Natural Proteins Limited

ACN: 095 821 971

Reporting Period: Financial year ended 30 June 2015

Previous Reporting Period: Financial year ended 30 June 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The results of Australian Natural Proteins Limited for the year ended 30 June 2015 are as follows:

		% Change	Amount of Change \$'000		\$'000
Revenue from ordinary activities	Down	98.58%	5	to	0
(Loss) from continuing operations	Down	70.81%	802	to	(331)
(Loss) from discontinued operations	Down	96.5%	4,310	to	(2,530)
(Loss) for period after tax attributable to members	Down	64.12%	5,112	to	(2,861)

Brief explanation of figures reported above

The loss for the Group after income tax for the reporting period was \$2,860,866.

For further details relating to the current period's results, refer to the Review of Operations contained within this document.

Dividends

No dividends have been paid or declared by the Group since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

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	30 June 2015	30 June 2014
Net Tangible Assets		
Net Tangible Assets / (Liabilities)	(\$597,594)	\$2,263,272
Shares (No)	151,654,899	151,654,899
Net Tangible Assets / (liabilities) – (cents)	(0.39) cents	1.49 cents
Loss per Share		
Basic earnings (loss) per ordinary share (cents)	(1.89) cents	(5.26) cents
Diluted Earnings (loss) per ordinary share	(1.89) cents	(5.26) cents

Status of Audit of Accounts

The audited accounts have been finalised. An Annual Report for the year ended 30 June 2015 containing the Audit Report was lodged on 5 August 2015.

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Review of Operations

The Directors of Australian Natural Proteins Limited, (or 'the Company' and its controlled entities 'the Group') provide the following Report in relation to the Group for the year ended 30 June 2015.

Directors and Key Management Personnel

Since the end of the 2015 financial year, the Company has appointed new members to the Board and the names of the Directors in office at any time during the whole of and since the end of the reporting period are:

Paul Duckett	Executive Chairman	Appointed 03/02/2015	
Raymond Taylor	Non-Executive Director	Appointed 03/02/2015	
Ping Huang	Non-Executive Director	Appointed 03/02/2015	
Trevor Kelly	Non-Executive Director	Appointed 03/02/2015	
Emily Lee D'Cruz	Non-Executive Chairman	Appointed 07/07/2014	Resigned 03/02/2015
Wei Ching Lim	Non-Executive Director	Appointed 07/07/2014	Resigned 03/02/2015
Chris Burrell	Non-Executive Director	Appointed 07/11/2014	Resigned 03/02/2015
Trevor Kelly	Non-Executive Director		Resigned 31/10/2014
Paul Duckett	Non-Executive Chairman		Resigned 07/07/2014
Raymond Taylor	Managing Director		Resigned 07/07/2014

Principal Activities

During the 2015 year, the Company, whilst continuing to operate within the agricultural sector, has been energised to develop and further enhance its position by refocusing on a significant restructure to encompass a program to direct its energies toward more intense profitable enterprises. To achieve this result, the directors are in the process of putting together a portfolio of agricultural business opportunities for acquisition.

Review of Operations

Following approaches made by and/or on behalf of Mercer Capital in or about July 2014 and premised on the assurances that capital in the amount of \$1,000,000 had been or would be raised, the Company undertook changes to its board structure. Conditions precedent to accepting the Mercer Capital offer, included that the previous Directors resigned en masse.

However, despite continuing assurances, the Board appointed under the specific charter failed to deliver not only sufficient funds to allow the company to continue to operate existing assets, but it also failed to deliver additional revenue producing assets for incorporation into the structure.

As a result of a Section 249D requisition issued on certain of the Directors for failure to deliver elucidated entreaties, the Directors Ms Emily D'Cruz, Mr Wei Ching Lim and Mr Chris Burrell resigned on 3 February 2015. Former Directors Mr Paul Duckett (assuming the role of Non-Executive Chairman), Mr Ray Taylor, and Mr Trevor Kelly, were immediately re appointed and Mr Ping Huang was added as a Director to ensure that all shareholders were adequately represented at Board level.

During the reporting period, the company's subsidiary Agline Pastoral Pty Ltd (Agline) remained in receivership following the appointment of Korda Mentha by the ANZ Banking Group in 2014. The receivers sold down the assets at various auctions. As a consequence of the sell down and the resultant returns, the company would not expect the proceeds from sales to reflect returns over and above liabilities to the secured creditor. The company has therefore written off its unsecured loan to Agline in the amount of \$2,526,311.

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Since March 2015, the Company carried out progressive capital raising by way of convertible loan note agreements to recapitalise the Company. The Company will seek shareholder approval for the conversion of these notes into shares (and options where applicable) at a soon to be convened General Meeting. Funds raised are used for working capital purposes and to fund transaction costs associated with the proposed acquisition of a five farm dairy aggregation and the Company's proposed unsecured corporate bond offering.

Likely developments

Since the end of 2015 financial year, the Company has focused on a significant reform program to restructure the Company and to put together a portfolio of agricultural business opportunities for acquisition.

The Company signed a Heads of Agreement with GRS Foods Pty Ltd (GRS) in May 2015 to carry out due diligence on the GRS Dairy Project. At the same time, the Company also undertook to raise \$50,000,000 in an Unsecured Corporate Bond offering. The raising will fund the purchase and further intensive development of the GRS Dairy Project which comprises of five elite irrigation dairy properties with state of the art improvements on a walk in walk out basis around Cobram in Victoria and Finley in NSW. Since the balance date, the Company has, jointly with GRS entered into individual Heads of Agreement with farm owners, to purchase the five Dairy Farms of the project. These Heads of Agreement are subject to time framed finance conditions and highlight the commitment of the parties to complete the purchase of the project and in particular to enhance the progress towards completion of the Bond fund raising.

These conditional on finance Heads of Agreement are subject to the necessary shareholder approvals at a constituted General Meeting of the Company.

Further details will be announced as soon as they are available.

The above has been extracted from Directors Report included in the Annual Report 2015 to Shareholders released on 5 August 2015.

For and on behalf of the Company,



Paul Duckett
Chair of Directors
Australian Natural Proteins Limited
On this day the 31 August 2015

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for Year Ended 30 June 2015**

	<i>CONSOLIDATED</i> <i>2015</i> \$	<i>CONSOLIDATED</i> <i>2014</i> \$
REVENUE FROM OPERATING ACTIVITIES		
Revenue	68	4,803
Financing expenses	(5,593)	(8,479)
Employee benefits expense	(40,484)	(296,764)
Consultant & contractor expenses	(132,444)	(535,552)
Depreciation expenses	(15,058)	(41,431)
Share based payment	-	(72,792)
Other expenses	(130,760)	(182,774)
Loss on disposal of plant & equipment	(6,400)	-
Total expenses	(330,739)	(1,137,792)
Loss from operating activities	(330,671)	(1,132,989)
REVENUE FROM DISCONTINUED OPERATIONS		
Revenue	-	1,918,764
Cost of goods sold	-	(2,342,121)
Financing expenses	-	(460,768)
Employee benefits expense	(1,682)	(370,956)
Depreciation expenses	-	(378,350)
Loss on asset disposals	-	(116,638)
Farming expenses	-	(135,704)
Other expenses	(2,202)	(357,729)
Loss on deconsolidation of controlled entity	-	(4,596,795)
Loan write off due to impairment	(2,526,311)	-
Total Expenses	(2,530,195)	(8,759,061)
Loss from discontinued operations	(2,530,195)	(6,840,297)
LOSS BEFORE INCOME TAX	(2,860,866)	(7,973,286)
Income tax expense	-	-
Loss for the year	(2,860,866)	(7,973,286)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	(2,860,866)	(7,973,286)
Earnings per share		
Basic earnings per share (cents)	(1.89)	(5.26)
Diluted earnings per share (cents)	(1.89)	(5.26)

Consolidated Statement of Financial Position
As at 30 June 2015

	<i>CONSOLIDATED</i> <i>2015</i> \$	<i>CONSOLIDATED</i> <i>2014</i> \$
ASSETS		
Current Assets		
Cash and cash equivalents	175,341	16,202
Other current assets	2,166	-
Total Current Assets	177,507	16,202
Non-current Assets		
Loans	-	2,526,311
Property, plant and equipment	44,676	90,900
Total Non-current Assets	44,676	2,617,211
TOTAL ASSETS	222,183	2,633,413
LIABILITIES		
Current Liabilities		
Trade and other payables	93,309	162,346
Loans and borrowings	726,468	89,184
Provisions	-	118,611
Total Current Liabilities	819,777	370,141
TOTAL LIABILITIES	819,777	370,141
NET ASSETS	(597,594)	2,263,272
EQUITY		
Contributed equity	17,901,261	17,901,261
Accumulated losses	(18,498,855)	(15,637,989)
TOTAL EQUITY	(597,594)	2,263,272

**Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2015**

	<i>Issued capital</i>	<i>Accumulated losses</i>	<i>Reserves</i>	<i>Total</i>
	\$	\$		\$
CONSOLIDATED				
At 30 June 2013	17,812,791	(10,202,614)	2,537,911	10,148,088
Shares issued during the period	88,470	-	-	88,470
Net loss for period	-	(7,973,286)	-	(7,973,286)
Deconsolidation of controlled entity		2,537,911	(2,537,911)	-
At 30 June 2014	17,901,261	(15,637,989)	-	2,263,272
At 01 July 2014	17,901,261	(15,637,989)	-	2,263,272
Shares issued during the period	-	-	-	-
Net loss for period	-	(2,860,866)	-	(2,860,866)
At 30 June 2015	17,901,261	(18,498,855)	-	(597,594)

**Consolidated Statement of Cash Flows
for the Year Ended 30 June 2015**

	<i>CONSOLIDATED</i> <i>2015</i> \$	<i>CONSOLIDATED</i> <i>2014</i> \$
Cash flows from operating activities		
Receipts from customers	-	2,972,222
Payments to suppliers, employees and others	(462,127)	(3,454,611)
Interest received	63	-
Interest paid	-	(469,247)
Net cash flows from operating activities	(462,064)	(951,636)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(87,465)
Proceeds from sale of property, plant and equipment	27,300	14,000
Net cash flows used in investing activities	27,300	(73,465)
Cash flows from financing activities		
Net proceeds of Converting Note Loans	626,577	15,678
Net proceeds from / (repayment of) borrowings	-	(262,391)
Payment of hire purchase obligations	(32,674)	(46,739)
Net cash flows from financing activities	593,903	(293,452)
Net increase in cash and cash equivalents	159,139	(1,318,553)
Cash at beginning of financial period	16,202	1,351,218
Less cash released on deconsolidation	-	(16,463)
Cash and cash equivalents at end of period	175,341	16,202