

Appendix 4E

Preliminary final report

Part 1

Name of entity	Frankland River Olive Company Limited
ABN	29 089 521 997
Financial Year Ended	30 June 2014
Previous Corresponding Reporting Period	30 June 2013

Part 2 - Results for announcement to the market

	\$'000	Percentage increase/(decrease) over previous corresponding period
Revenues from ordinary activities	1,655	(16%)
Loss from ordinary activities after tax	(11,321)	(1,045%)
Net loss attributable to members	(11,606)	(1,074%)

Dividends	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividend		Not Applicable

Commentary on Results

The Company's operating profit before interest and depreciation was \$329,883 loss which was an improvement from last year.

Revenues were substantially lower than last year. Trading conditions remained difficult with the Australian dollar sitting at relatively high historical levels during the year which continued to present challenges for local producers competing against relatively cheaper imported olive oils.

As recently announced, the company's former managing director resigned from position on 30th April 2014. Replacement directors have been appointed and the company is currently undertaking a thorough review of all aspects of the company's business to identify further opportunities for cost reduction and restructuring, as well as the company's future strategy.

The Company remains fortunate to have the on-going financial support of its largest shareholder Toscana (WA) Pty Ltd. Toscana has previously agreed to provide working capital as and when required to supplement the Company's existing cash flows until such time as the full benefits of the on-going restructuring and marketing initiatives, which commenced over 12 months ago, take effect and fully flow through.

FRANKLAND RIVER OLIVE COMPANY LTD AND CONTROLLED ENTITIES
ACN 089 521 997

**PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

Part 3

	2014 \$	2013 \$
Revenue	1,654,718	1,977,216
Cost of sales	(1,125,939)	(1,484,252)
Gross Profit/(Loss)	528,779	492,964
Other income	45,384	299,462
Distribution and logistics cost	(449,482)	(320,896)
Marketing and promotion costs	(78,058)	(104,377)
Corporate and administrative expenses	(740,070)	(732,538)
Finance costs	(978,928)	(717,959)
Impairment of Inventory	-	(141,816)
Net decrement in fair value of Olive Trees	(9,884,692)	-
(Loss) before income tax expense	(11,557,067)	(1,225,160)
Income tax benefit/(expense)	235,667	236,417
Net (Loss) for the year	(11,321,400)	(988,743)
Other comprehensive income Items that will not be reclassified to the profit or loss:		
Gain/(Loss) on revaluation of assets	(285,000)	-
Total other comprehensive income	(285,000)	-
Total comprehensive income(loss) attributable to the members of the parent	(11,606,400)	(988,743)
Basic and diluted loss per share (cents)	(2.00)	(0.25)

FRANKLAND RIVER OLIVE COMPANY LTD AND CONTROLLED ENTITES
ACN 089 521 997

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

Part 4

	2014	2013
	\$	\$
Assets		
Cash on hand and at bank	19,957	28,742
Trade and other receivables	541,857	224,145
Inventories	1,197,975	1,058,855
Prepayments	50,991	-
Total current assets	1,810,780	1,311,742
Property, plant and equipment	9,088,588	9,452,152
Olive trees	5,940,000	15,824,692
Intangible Assets	1,710,000	1,995,000
Total non-current assets	16,738,588	27,271,844
Total assets	18,549,368	28,583,586
Liabilities		
Trade and other payables	992,859	876,022
Loans and borrowings	5,731	396,932
Employee Benefits Provision	15,584	15,667
Total current liabilities	1,014,174	1,288,621
Loans and borrowings	8,793,661	6,949,641
Employee Benefits Provision	18,935	16,328
Total non-current liabilities	8,812,596	6,965,969
Total liabilities	9,827,119	8,254,590
Net assets	8,722,598	20,328,998
Equity		
Issued capital	43,082,675	43,082,675
Asset Revaluation Reserve	2,950,464	3,235,464
Accumulated losses	(37,310,541)	(25,989,141)
Total equity attributable to equity holders of the Company	8,722,598	20,328,998

FRANKLAND RIVER OLIVE COMPANY LTD AND CONTROLLED ENTITES
ACN 089 521 997

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

Part 5

	Issued capital \$	Accumulated losses \$	Asset Revaluation reserve \$	Total equity \$
Balance at 1 July 2012	41,153,435	(25,000,398)	3,235,464	19,388,501
Total comprehensive income:				
Loss for the year	-	(988,743)	-	(988,743)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(988,743)	-	(988,743)
Transactions with owners recorded directly into equity:				
Issue of share capital	1,929,240	-	-	1,929,240
Cost of issue	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 30 June 2013	43,082,675	(25,989,141)	3,235,464	20,328,998
Balance at 1 July 2013	43,082,675	(25,989,141)	3,235,464	20,328,998
Total comprehensive income:				
Loss for the year	-	(11,321,400)	-	(11,321,400)
Other comprehensive income	-	-	(285,000)	(285,000)
Total comprehensive income for the year	-	(11,321,400)	(285,000)	(11,606,400)
Transactions with owners recorded directly into equity:				
Issue of share capital	-	-	-	-
Cost of issue	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 30 June 2014	43,082,675	(37,310,541)	2,950,464	8,722,598

FRANKLAND RIVER OLIVE COMPANY LTD AND CONTROLLED ENTITES
ACN 089 521 997

PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

Part 6

	2014 \$	2013 \$
Cash flows from operating activities		
Cash receipts from customers	1,554,819	1,941,011
Cash paid to suppliers and employees	(2,221,067)	(2,245,201)
Grants received	27,237	27,237
Interest received	304	811
Finance costs paid	(17,047)	(299,177)
R&D rebate received	-	236,416
Net cash used in operating activities	(655,754)	(338,903)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	20,181
Payments for property, plant and equipment	-	(11,740)
Net cash used in investing activities	-	8,441
Cash flows from financing activities		
Proceeds from borrowings	880,638	375,757
Repayment of borrowings	(223,668)	(1,960,754)
Proceeds from issues of shares	-	1,929,240
Net cash from financing activities	646,970	344,243
Net increase/(decrease) in cash and cash equivalents	(8,784)	13,781
Cash and cash equivalents at beginning of year	28,742	14,961
Cash and cash equivalents at end of year	19,957	28,742
Reconciliation of cash and cash equivalents		
Cash balance comprises:		
Cash at bank and on hand	19,957	28,742
Bank overdraft	-	-
	19,957	28,742

Part 6 – Details of Dividends

Amount per security

	Amount per security (cents)	Franked amount per security at 30% tax (cents)	Amount per security of foreign sourced dividend (cents)
Final dividend – current year	Nil	N/A	N/A
– previous year	Nil	N/A	N/A
Interim dividend – current year	Nil	N/A	N/A
– previous year	Nil	N/A	N/A

Total dividends on all securities for the year

	Current Year	Previous Year
Ordinary securities	Nil	Nil

Part 7 – Dividend Reinvestment Plan

The Company does not operate a dividend reinvestment plan.

Part 8 – Accumulated Losses

	\$
Balance at 1 July 2013	(25,989,141)
Loss for the 12 months to 30 June 2014	(11,321,400)
Balance at 30 June 2014	(37,310,541)

Part 9 - Net Tangible Assets per security

	2014	2013
Net tangible assets	7,012,598	18,333,998
Ordinary shares on issue at balance date	568,930,458	568,930,458
Net tangible asset backing per ordinary security	\$0.01	\$0.03

Part 10 – Details of Entities over which Control has been Gained or Lost during the period

There have been no changes to the Entities of which the Company has control over.

Part 11 – Details of Associates or Joint Ventures

	Ownership Interest		Contribution to net (loss)	
	2014	2013	2014	2013
Name of entity				
Associate	N/A	N/A	N/A	N/A
Joint Ventures	N/A	N/A	N/A	N/A

Part 12 – Any Other Significant Information needed by an investor to make an informed assessment of the entity's financial performance and financial position

REVIEW AND RESULTS OF OPERATIONS

Corporate

During the 2014 financial year, there were no changes in the corporate structure of the Company.

Operations

2014 Harvest

This financial year saw the Company continue a major restoration prune of the Parmelia Grove. The decision was made to reduce the size of the Barnea trees, to increase their fruit recovery efficiency during harvest and to promote new fruiting wood within each tree. This significantly reduced the 2014 harvest.

Marketing & Distribution

Substantial time has been spent developing a new national and international marketing strategy. Marketing strategies for existing and new hospitality and distribution customers are being implemented.

New Website and Facebook integration has been completed and fully operational. Direct sales of Jingilli EVOO products via our shopping cart program on the website is fully operational with both Credit and Debit MasterCard and Visa and PayPal facilities available to our online customers.

Part 13 – Foreign Entities

Not Applicable

Part 14 – Commentary on Results for the Period

Earnings per share

	2014	2013
Basic loss per ordinary share (cents)	(2.0)	(0.25)
Weighted average number of shares used in the calculation of basic earnings per share	568,930,458	390,233,256

Significant features of operating performance

Result from Ordinary Activities

The result from ordinary activities before income tax expense includes the following significant items of revenue and expenditure:

	2014 \$	2013 \$
REVENUE FROM ORDINARY ACTIVITIES		
Revenue from sale of olive products	1,639,532	1,971,338
Revenue from trading and contracting services	15,186	5,878
Total revenue	1,654,718	1,977,216
OTHER INCOME		
Interest income	304	1,128
Diesel fuel rebate	29,383	27,237
Income from debt forgiven	-	246,311
Other	15,697	24,786
Total other income	45,384	299,462
TOTAL	1,700,102	2,276,678
EXPENSES AND LOSSES		
Depreciation of non-current assets	363,564	388,645
Borrowing costs expensed		
Interest expense		
Bank loan	130,262	297,128
Finance lease	32,379	24,184
Related party loan	810,621	383,768
Other interest	5,666	28,394
	978,928	733,474
Bank charges and facility fees	-	-
Net foreign exchange loss	-	-
TOTAL BORROWING COSTS EXPENSED	978,928	733,474

Trends in Performance

Overall the olive groves substantially increased their olive yields this harvest from the previous harvest. The increase in yields will be maintained with further improvement over the coming financial years. The exceptional quality of the oil produced and the new marketing initiatives currently underway will ensure that the Company's revenue from the sale of olive products will grow along with overall profitability.

Part 15 – Audit Status

This report is based on accounts to which one of the following applies:



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.

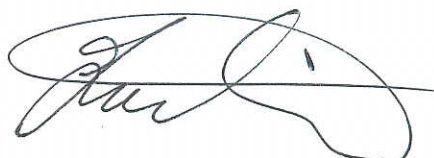
Part 16 – If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

Not Applicable

Part 16 – If the accounts have not yet been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

Not Applicable

Sign here



Date: 10 Dec 2014

Print name: Ivo Paul Letari

Director