



ABN 27 091 320 464

Appendix 4E

Preliminary final report

Year ended 30 September 2013

Revenues from ordinary activities	Down	-99.95%	to	\$	51,024
Profit from ordinary activities after tax attributable to members	Up	172.78%	to	\$	7,313,633
Net profit for the period attributable to members	Up	172.78%	to	\$	7,313,633

No final dividend has been declared for the current year and no dividend was declared or paid for the previous year.

The net tangible asset (NTA) per security as at 30 September 2013 was (\$0.0208) (2012(\$0.1427)).

The accounts are in the process of being audited.

REVIEW OF OPERATIONS

On 5 October 2012 GE Capital, the Group's banker appointed Andrew John Saker and Martin Bruce Jones of Ferrier Hodgson at Perth as joint and several Voluntary Administrators of the borrowing entities FarmWorks Merchandise Services Pty Ltd, FarmWorks Australia Livestock Pty Ltd and Conquest Crop Protection Pty Ltd pursuant to Section 436C(1) of the Corporations Act 2001.

The Administrators effectuated the Deed of Company Arrangement for FarmWorks Merchandise Services Pty Ltd and Conquest Crop Protection Pty Ltd on 14 February 2013. FarmWorks Merchandise Services Pty Ltd was returned to the Group with no assets or liabilities. Conquest Crop Protection Pty Ltd was transferred by the Administrator to Contai Agrosea Pty Ltd.

The results of the Group showed a consolidated operational net profit attributable to the members of Conquest Agri Limited of \$7,313,633 (2012:(\$10,048,312)). This profit was as a result of the gain on deconsolidation of \$7,665,891 as a direct consequence of the appointment of the Administrator to the operating entities and the disposal of Conquest Crop Protection Pty Ltd and cessation of business activities of FarmWorks Merchandise Services Pty Ltd.

The Company is actively seeking a new business enterprise to take the Company forward. Details of any proposed transaction will be advised to shareholders and the market under the ASX continuous disclosure regime. Whilst the current economic climate is experiencing some volatility the Board is optimistic that the Company will be successful in identifying and acquiring a cash flow positive business enterprise in the near future.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Consolidated	
	30-Sep-13	30-Sep-12
	12 Months	12 Months
	\$	\$
Revenues	51,024	46,059,388
Expenses from ordinary activities	(401,015)	(53,780,275)
Finance costs	(1,649)	(2,078,276)
Depreciation and amortisation expense	-	(247,912)
(Loss)/Profit before income tax expense from continuing activities	(351,640)	(10,047,075)
Income tax benefit/(expense)	(618)	(1,237)
(Loss) after income tax expense from continuing operations	(352,258)	(10,048,312)
Profit from discontinued operation, net of income taxes	7,665,891	-
Profit/(Loss) attributable to members of Conquest Agri Limited	7,313,633	(10,048,312)

	Cents / Share	
	30-Sep-13	30-Sep-12
<u>Earnings per share</u>		
Basic earnings/(loss) per share	12.14	(16.88)
Diluted earnings/(loss) per share	12.14	(16.88)
<u>Continuing operations</u>		
Basic earnings/(loss) per share	(0.58)	(16.88)
Diluted earnings/(loss) per share	(0.58)	(16.88)
<u>Discontinued operations</u>		
Basic earnings/(loss) per share	12.72	-
Diluted earnings/(loss) per share	12.72	-

To be read in conjunction with the attached notes to the Financial Statements

CONQUEST AGRI LIMITED
APPENDIX 4E 30 SEPTEMBER 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013

	Consolidated	
	As at 30-Sep-13 \$	As at 30-Sep-12 \$
Current assets		
Cash and cash equivalents	1,028	186,010
Trade and other receivables	-	4,480,301
Inventories	-	7,883,655
Prepayment and other assets	2,166	265,512
Assets classified as held for sale	-	16,016
Total current assets	3,194	12,831,494
Non-current assets		
Security deposits	-	60,500
Investments	-	3,602
Property, plant and equipment	-	390,837
Total non-current assets	-	454,939
Total assets	3,194	13,286,433
Current liabilities		
Trade and other payables	792,460	14,754,636
Provisions	-	86,088
Borrowings	469,781	6,932,199
Lease liabilities	-	44,946
Total current liabilities	1,262,241	21,817,869
Non-current liabilities		
Trade and other payables	-	64,282
Provisions	-	5,744
Total non-current liabilities	-	70,026
Total liabilities	1,262,241	21,887,895
Net assets	(1,259,047)	(8,601,462)
Equity		
Issued capital	6,535,337	6,509,381
Reserves	297,642	294,816
Accumulated losses	(8,092,026)	(15,405,659)
Total equity	(1,259,047)	(8,601,462)

To be read in conjunction with the attached notes to the Financial Statements

CONQUEST AGRI LIMITED
APPENDIX 4E 30 SEPTEMBER 2013

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

Consolidated					
	Issued capital	Foreign currency reserve	Options reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance 1 October 2011	65,585,192	(28,782)	334,853	(64,508,313)	1,382,950
Options lapse transferred to equity	11,255	-	(11,255)	-	-
Private placement	-	-	-	-	-
Foreign currency translation	-	-	-	-	-
Share-based payments	63,900	-	-	-	63,900
Shareholder approval reduction	(59,150,966)	-	-	59,150,966	-
Net (income)/expenses recognised directly in equity	-	-	-	-	-
Loss after income tax benefit	-	-	-	(10,048,312)	(10,048,312)
Total recognised income/(expense) for the year	-	-	-	(10,048,312)	(10,048,312)
Balance 30 September 2012	6,509,381	(28,782)	323,598	(15,405,659)	(8,601,462)

Consolidated					
	Issued capital	Foreign currency reserve	Options reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance 1 October 2012	6,509,381	(28,782)	323,598	(15,405,659)	(8,601,462)
Options lapse transferred to equity	25,956	-	(25,956)	-	-
Private placement	-	-	-	-	-
Foreign currency translation	-	-	-	-	-
Share-based payments	-	-	-	-	-
Impairment	-	28,782	-	-	28,782
Net (income)/expenses recognised directly in equity	-	-	-	-	-
Profit after income tax benefit	-	-	-	7,313,633	7,313,633
Total recognised income/(expense) for the year	-	-	-	7,313,633	7,313,633
Balance 30 September 2013	6,535,337	-	297,642	(8,092,026)	(1,259,047)

To be read in conjunction with the attached notes to the Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 SEPTEMBER 2013

	Consolidated	
	30-Sep-13	30-Sep-12
	12 Months	12 Months
	\$	\$
Cash flows from operating activities		
Receipts from customers	80,337	49,152,551
Payment to suppliers and employees	(60,500)	(45,671,953)
	19,837	3,480,598
Interest received	132	112,111
Finance costs paid	(1,185)	(1,538,449)
Income taxes paid	(618)	(1,237)
Net cash inflow from operating activities	18,166	2,053,023
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(36,826)
Proceeds from sale of property, plant and equipment	-	418,950
Payments associated with deconsolidation of the subsidiaries	(212,548)	-
Settlement of DOCA	2,000,000	-
Deferred consideration paid	-	(104,254)
Refund of security deposits	-	150,840
Net cash inflow from investing activities	1,787,452	428,710
Cash flows from financing activities		
Proceeds from/(repayments of) borrowings	(1,990,600)	(3,826,138)
Proceeds from/(repayments of) lease liabilities	-	(284,564)
Proceeds from issue of shares	-	-
Net cash outflow from financing activities	(1,990,600)	(4,110,702)
Net (outflow)/increase in cash and cash equivalents	(184,982)	(1,628,969)
Cash and cash equivalents at the beginning of the financial year	186,010	1,814,979
Cash and cash equivalents at the end of the financial year	1,028	186,010

To be read in conjunction with the attached notes to the Financial Statements

NOTES TO THE APPENDIX 4E

YEAR ENDED 30 SEPTEMBER 2013

Note 1: Statement of Significant Accounting Policies

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of the Appendix 4E. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation of the Appendix 4E

The Appendix 4E has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Appendix 4E covers Conquest Agri Limited and controlled entities as a consolidated entity. Conquest Agri Limited is a listed public company on the Australian Securities Exchange (trading under the symbol "CQA"), incorporated in New Zealand. On 19 April 2005, Conquest Agri Limited obtained confirmation from the Australian Securities and Investments Commission that the Company was formally registered as a company under the Corporations Act 2001 and domiciled in Australia.

Conquest Agri Limited's financial statements represent operations for 12 month period from 1 October 2012 to 30 September 2013.

Compliance with IFRS

The consolidated financial statements of Conquest Agri Limited comply with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

This Appendix 4E has been prepared under the historical cost convention, as modified where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment property and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of this financial report requires management to exercise its judgment in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Appendix 4E, are disclosed in note 2.

Principles of consolidation

The consolidated Appendix 4E incorporates the assets and liabilities of all subsidiaries of Conquest Agri Limited ('Company' or 'parent entity') as at 30 September 2013 and the results of all subsidiaries for the year then ended. Conquest Agri Limited and its subsidiaries together are referred to in this Appendix 4E as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between companies in the consolidated entity are eliminated.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 1: Significant Accounting Policies (continued)

Foreign currency translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sales of goods are recognised when goods are delivered and title has passed. Service revenue is recognised by reference to the stage of completion of the transaction at balance date. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective rate applicable.

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Group is currently not consolidated for income tax purposes.

Cash and cash equivalents

For the statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

All trade and other receivables are recognised at the amounts receivable as they are generally due for settlement by no more than 30 days. Terms of settlement vary depending on seasonality and the type of product sold.

Collectability of trade and other debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. A provision for impairment of receivables is raised when some doubt as to collection exists.

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 1. Significant Accounting Policies (continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in trade and other receivables or trade and other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Inventories

Inventories including raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location are accounted for as follows:

- Raw materials – purchase cost is on the first in, first out basis. The cost of purchase comprises the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other costs directly attributable to the acquisition of raw materials. Volume discounts and rebates are included in determining the cost of purchase.
- Finished goods and work in progress – costs of direct materials and labour and a proportion of variable and fixed manufacturing overheads based on normal operating capacity. Costs are assigned on the basis of weighted average costs.

Where commodity inventories are acquired principally for the purpose of selling in the near term and generating a profit, such commodities are measured at fair value less costs to sell with changes in fair value less costs to sell recognised in the income statement.

Financial Assets

Financial Instruments

Financial Instruments are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified at fair value through the Profit and Loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or a shorter period where appropriate.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance date. Financial assets are impaired when there is no objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 1. Significant Accounting Policies (continued)

Financial Assets (continued)

Reversal of impairment

If in a subsequent accounting period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Investments

Investments are stated at the lower of their carrying amount and fair value less costs to sell. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Property, plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Plant and equipment is depreciated at rates of between 11.25% and 40.00%.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Intangible assets

Software

Costs associated with software are deferred and amortised on a diminishing value basis at 33.33%. The amortisation charge is included within depreciation and amortisation expense in the statement of comprehensive income.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the consolidated entity's share of the net identifiable Financial Instruments are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset is defined as the higher of its fair value less costs to sell and value in use.

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 1. Significant Accounting Policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, except those that are incurred as part of the cost of the construction of a qualifying asset, which are capitalised. Finance costs include interest on short and long term borrowings.

Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Share-based payments

Share-based compensation benefits are provided to Directors and employees. The fair value of options granted is recognised as an expense with a corresponding increase in the options reserve.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Foreign currencies translations and balances

Transactions and balances

Transactions in foreign currencies of entities within the consolidated Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues or expenses for the financial year.

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 1. Significant Accounting Policies (continued)

Derivative Instruments

The Group uses derivative financial instruments (including forward currency contracts, forward commodity contracts and interest rate swaps) to hedge its risks associated with foreign currency, commodity prices and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and liabilities are classified as non-current in the statement of financial position when the remaining maturity is more than 12 months, or current when the remaining maturity is less than 12 months.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swaps are determined using a valuation technique based on cash flows discounted to present value using current market interest rates. The fair value of commodity contracts are also determined using a discounted cash flow valuation technique using cash flow estimates based on observable forward prices for the commodity.

Any gains or losses arising from changes in fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (the consolidated entity does not currently have any fair value hedges).
- Cash flow hedges where they hedge the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction (the consolidated entity currently has cash flow hedges attributable to future foreign currency inventory purchases and future foreign currency sales).

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or to a forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, whilst the ineffective portion is recognised in profit and loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

The Group tests each of the designated cash flow hedges for effectiveness on a quarterly basis both retrospectively and prospectively using the Cumulative Dollar Offset Methodology. If the testing falls within the 80:125 range, the hedge is considered highly effective and continues to be designated as a cash flow hedge. For foreign currency cash flow hedges if the risk is over-hedged, the ineffective portion is taken immediately to other income/expense in the statement of comprehensive income. For interest rate cash flow hedges, any ineffective portion is taken to other expenses in the statement of comprehensive income.

If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the statement of comprehensive income.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 1. Significant Accounting Policies (continued)

Derivative Instruments (continued)

Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

Amounts accumulated in the hedge reserve in equity are transferred to the statement of comprehensive income in the periods in when the hedged items will affect profit or loss.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Financial Instruments are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Rounding of amounts

Amounts in the Appendix 4E have been rounded off to the nearest dollar.

Note 2: Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the Appendix 4E based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 2: Critical accounting estimates and judgments (continued)

Key Estimates

Impairment of goodwill

Goodwill relates to the acquisition of FarmWorks Merchandise Services Pty Ltd and its subsidiaries business. The goodwill on acquisition arises as a result of the fair market value of FarmWorks Merchandise Services Pty Ltd assessed exceeding the fair value of the net assets acquired.

The values identified as at 30 September 2013 are in accordance with Accounting Standard AASB 3 *Business Combinations*.

Impairment of goodwill and licenses

The Group determines intangibles with indefinite useful lives as impaired on a bi-annual basis. This requires an estimation of the recoverable amount using a value in use discounted cash flow methodology.

Provision for impairment of receivables

The main collectibility risk of trade and other receivables is customer insolvencies. The consolidated entity maintains an allowance for doubtful accounts representing management's estimate of the amount of asset impairment in the trade and other receivables portfolio. The consolidated entity determines the allowance for doubtful accounts based on a systematic, on-going review and evaluation performed as part of the credit-risk evaluation process, historical loss experience, the size and composition of the portfolios, current economic events and conditions, and other pertinent factors. This evaluation is inherently judgemental and requires material estimates, including the amounts and timing of future cash flows expected to be received, which may be susceptible to significant change. Although management considers the allowance for doubtful accounts to be adequate based on information currently available, additional provisions may be necessary due to (i) change in management estimates and assumptions about asset impairment, (ii) information that indicates changes in the expected future cash flows or (iii) changes in economic and other events and conditions.

Estimate of asset lives, residual lives and depreciation methods

Plant and equipment are depreciated over their lives taking into account residual values. Useful lives are effected by technology innovations. Future market conditions determine residual values. Depreciation is calculated on a straight-line basis which may not represent the actual usage of the asset.

Excess inventory

The consolidated entity must determine as of each balance date how much, if any of its inventory may ultimately prove to be unsaleable or unsaleable at its carrying cost. Allowances are established to effectively adjust inventory to net realisable value. To determine the appropriate level of allowances, the consolidated entity evaluates current stock levels in relation to historical and expected patterns of demand for all its products and components. The basis for the determination is generally the same for all inventory categories except for work-in-progress inventory, which is recorded at cost. Obsolete or discontinued items are generally destroyed and completely written off. Management evaluates the need for changes to valuation allowances based on market conditions, competitive offerings and other factors on a regular basis.

Impairment of non-financial assets other than goodwill and indefinite life intangibles

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined.

It is the Group's policy to conduct bi-annual internal reviews of asset values, which is used as a source of information to assess for any indicators of impairment.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable the future taxable profit will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

CONQUEST AGRI LIMITED
APPENDIX 4E 30 SEPTEMBER 2013

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 3: Segment information

As a result of the appointment of an Administrator to the operating entities at the beginning of the year, the consolidated entity ceased its business activities and therefore there is no segment information for this year.

Note 4: Earnings Per Share

	Consolidated	
	30-Sep-13 12 Months \$	30-Sep-12 12 Months \$
Continuing operations		
Net profit(loss) attributable to ordinary shareholders	(352,258)	(10,048,312)
	No.	No.
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of year	60,257,991	58,482,991
Effect of shares issued	-	1,042,691
Effect of share options exercised	-	-
Weighted average number of ordinary shares at balance date	60,257,991	59,525,682
	(cents/share)	(cents/share)
Basic and diluted loss per shares	(0.58)	(16.88)
Options outstanding are not dilutive		
Discontinued operations	\$	\$
Net result used in the calculation of basic and diluted earnings per share	7,665,891	-
	(cents/share)	(cents/share)
Basic and diluted loss per share	12.72	-

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NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 5: Discontinued Operation

On 5 October 2012 GE Capital, the Group's banker appointed Andrew John Saker and Martin Bruce Jones of Ferrier Hodgson at Perth as joint and several Voluntary Administrators of the borrowing entities FarmWorks Merchandise Services Pty Ltd, FarmWorks Australia Livestock Pty Ltd and Conquest Crop Protection Pty Ltd pursuant to Section 436C(1) of the Corporations Act 2001.

The results of the discontinued operations for the period are presented below:

	Consolidated	
	30-Sep-13	30-Sep-12
	12 Months	12 Months
	\$	\$
Financial performance information		
Revenue	-	45,359,787
Other income - gain on desconsolidation	7,665,891	-
All other expenses	-	(52,937,670)
Results from operating activities	7,665,891	(7,577,883)
Loss on sale of discontinued operation	7,665,891	(7,577,883)
Income tax	-	-
Loss from discontinued operations	7,665,891	(7,577,883)

Carrying amount of assets and liabilities

Assets	
Cash	156,849
Trade debtors and prepayments	4,447,292
Inventory	7,883,655
Other current assets	8,513
Fixed assets	390,837
Investments	3,602
Other non-current assets	60,500
Assets classified as held for sale	12,951,248
	-
Liabilities	
Payables	8,326,356
Accruals	841,566
Employee provisions	91,832
Borrowings	4,580,648
Loans with intercompany	5,061,477
Liabilities directly associated with assets classified as held for sale	18,901,879
	-

The net cash flows of the discontinued operations which have been incorporated into the Statement of Cash Flows are as follows:

Net cash inflow/(outflow) from operating activities	-	2,200,643
Net cash inflow/(outflow) from investing activities	(212,548)	281,708
Net cash inflow/(outflow) from financing activities	-	(4,110,702)
Net cash increase/(decrease) attributable to discontinued operations	(212,548)	(1,628,351)

Changes in composition of the Consolidated Entity

Conquest Crop Protection Pty Ltd was subsequently disposed of on 14 February 2013, FarmWorks Australia Livestock Pty Ltd was placed into liquidation on 30 November 2012, FarmWorks Property (WA) Pty Ltd, Ultimate Transactions Pty Limited and Ultimate Axxess Pty Limited were deregistered during the year.

NOTES TO THE APPENDIX 4E (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2013

Note 6. Events occurring after balance date

No matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Note 7. Going Concern and Solvency

The consolidated entity incurred a profit of \$7,313,633 for the financial year ended 30 September 2013 and subsequent to balance date, has generated a loss. At 30 September 2013 the consolidated entity was also in a net asset and net current asset deficiency of \$1,259,047.

The Company is actively seeking a new business enterprise to take the Company forward. Details of any proposed transaction will be advised to shareholders and the market under the ASX continuous disclosure regime. Whilst the current economic climate is experiencing some volatility the Board is optimistic that the Company will be successful in identifying and acquiring a cash flow positive business enterprise in the near future.