



**ABN 27 091 320 464**

## **Appendix 4E**

### **Preliminary final report**

### **Year ended 30 September 2015**

Revenues from ordinary activities	Down	-45.66%	to	\$	29,085
Loss from ordinary activities after tax attributable to members	Down	-24.80%	to	\$	(698,029)
Net loss for the period attributable to members	Down	-24.80%	to	\$	(698,029)

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 2015 was (\$0.000074) (2014(\$0.029)).

The accounts are in the process of being audited.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	<b>Consolidated</b>	
	<b>30-Sep-15 12 Months \$</b>	<b>30-Sep-14 12 Months \$</b>
Revenues	29,085	53,527
Contribution to DOCA	(162,678)	-
Impairment of receivables	(232,318)	-
Expenses from ordinary activities	(317,057)	(805,825)
Finance costs	(15,061)	(175,261)
<b>(Loss) before income tax expense from continuing activities</b>	<b>(698,029)</b>	<b>(927,559)</b>
Income tax benefit/(expense)	-	(680)
<b>(Loss) after income tax expense from continuing operations</b>	<b>(698,029)</b>	<b>(928,239)</b>
Profit from discontinued operation, net of income taxes	-	-
<b>(Loss)/Profit attributable to members of Conquest Agri Limited</b>	<b>(698,029)</b>	<b>(928,239)</b>

	<b>Cents / Share</b>	
	<b>30-Sep-15</b>	<b>30-Sep-14</b>
<b><u>Earnings per share</u></b>		
Basic earnings/(loss) per share	(0.170)	(1.44)
Diluted earnings/(loss) per share	(0.170)	(1.44)
<b><u>Continuing operations</u></b>		
Basic earnings/(loss) per share	(0.170)	(1.44)
Diluted earnings/(loss) per share	(0.170)	(1.44)
<b><u>Discontinued operations</u></b>		
Basic earnings/(loss) per share	-	-
Diluted earnings/(loss) per share	-	-

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

**CONQUEST AGRI LIMITED**  
**APPENDIX 4E 30 SEPTEMBER 2015**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2015**

	<b>Consolidated</b>	
	<b>As at 30-Sep-15 \$</b>	<b>As at 30-Sep-14 \$</b>
<b>Current assets</b>		
Cash and cash equivalents	167,856	348
Trade and other receivables	8,936	15,759
Loans	-	228,267
Deposits	-	3,755
Total current assets	176,792	248,129
<b>Non-current assets</b>		
Total non-current assets	-	-
<b>Total assets</b>	176,792	248,129
<b>Current liabilities</b>		
Trade and other payables	231,667	1,354,237
Borrowings	-	900,404
Total current liabilities	231,667	2,254,641
<b>Non-current liabilities</b>		
Total non-current liabilities	-	-
<b>Total liabilities</b>	231,667	2,254,641
<b>Net assets</b>	(54,875)	(2,006,512)
<b>Equity</b>		
Issued capital	9,365,777	6,716,111
Reserves	297,642	297,642
Accumulated losses	(9,718,294)	(9,020,265)
<b>Total equity</b>	(54,875)	(2,006,512)

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

**CONQUEST AGRI LIMITED**  
**APPENDIX 4E 30 SEPTEMBER 2015**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Consolidated				
		Foreign currency reserve	Options reserve	Accumulated losses	Total equity
	Issued capital				
	\$	\$	\$	\$	\$
Balance 1 October 2013	6,535,337	-	297,642	(8,092,026)	(1,259,047)
Options lapse transferred to equity	-	-	-	-	-
Shares issued for investment	180,774	-	-	-	180,774
Share-based payments	-	-	-	-	-
Impairment	-	-	-	-	-
Net (income)/expenses recognised directly in equity	-	-	-	-	-
Profit/(loss) after income tax benefit	-	-	-	(928,239)	(928,239)
Total recognised income/(expense) for the year	-	-	-	(928,239)	(928,239)
Balance 30 September 2014	6,716,111	-	297,642	(9,020,265)	(2,006,512)

	Consolidated				
		Foreign	Options	Accumulated	
	Issued capital	currency	reserve	losses	Total equity
	\$	reserve			
	\$	\$	\$	\$	\$
Balance 1 October 2014	6,716,111	-	297,642	(9,020,265)	(2,006,512)
Options lapse transferred to equity	-	-	-	-	-
Shares issued as a result of DOCA	2,449,666	-	-	-	2,449,666
Shares issued	200,000	-	-	-	200,000
Impairment	-	-	-	-	-
Net (income)/expenses recognised directly in equity	-	-	-	-	-
Profit/(loss) after income tax benefit	-	-	-	(698,029)	(698,029)
Total recognised income/(expense) for the year	-	-	-	(698,029)	(698,029)
Balance 30 September 2015	9,365,777	-	297,642	(9,718,294)	(54,875)

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDING 30 SEPTEMBER 2015**

	<b>Consolidated</b>	
	<b>30-Sep-15</b>	<b>30-Sep-14</b>
	<b>12 Months</b>	<b>12 Months</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	25,002	41,142
Payment to suppliers and employees	(115,257)	(225,928)
	(90,255)	(184,786)
Interest received	32	11
Finance costs paid	(4,664)	(1,470)
Income taxes paid	-	(680)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(94,887)</b>	<b>(186,925)</b>
<b>Cash flows from investing activities</b>		
Loans to other entities	-	(220,000)
Trust funds		(3,755)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>-</b>	<b>(223,755)</b>
<b>Cash flows from financing activities</b>		
Proceeds from/(repayments of) borrowings	62,395	(165,000)
Funds from convertible notes	-	575,000
Proceeds from issue of shares	200,000	-
<b>Net cash outflow from financing activities</b>	<b>262,395</b>	<b>410,000</b>
<b>Net (outflow)/increase in cash and cash equivalents</b>	<b>167,508</b>	<b>(680)</b>
Cash and cash equivalents at the beginning of the financial year	348	1,028
<b>Cash and cash equivalents at the end of the financial year</b>	<b>167,856</b>	<b>348</b>

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

## **NOTES TO THE APPENDIX 4E**

### **YEAR ENDED 30 SEPTEMBER 2015**

#### **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 2014 to 30 September 2015.

#### **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 2015 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 2015**

**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.

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.

**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.

**NOTES TO THE APPENDIX 4E (CONTINUED)**  
**YEAR ENDED 30 SEPTEMBER 2015**

**Note 1. Significant Accounting Policies (continued)**

**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 or 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 are impaired when there is 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 negatively.

***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.



**NOTES TO THE APPENDIX 4E (CONTINUED)**  
**YEAR ENDED 30 SEPTEMBER 201**

**Note 1. Significant Accounting Policies (continued)**

**Financial Assets (continued)**

**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.

**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.

**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.

**NOTES TO THE APPENDIX 4E (CONTINUED)**  
**YEAR ENDED 30 SEPTEMBER 2015**

**Note 1. Significant Accounting Policies (continued)**

**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.

**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.

**NOTES TO THE APPENDIX 4E (CONTINUED)**  
**YEAR ENDED 30 SEPTEMBER 2015**

**Note 1. Significant Accounting Policies (continued)**

**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.

**Key Estimates**

***Impairment of financial assets***

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.

**CONQUEST AGRI LIMITED**  
**APPENDIX 4E 30 SEPTEMBER 2015**

**NOTES TO THE APPENDIX 4E (CONTINUED)**  
**YEAR ENDED 30 SEPTEMBER 2015**

**Note 3: Segment information**

The consolidated entity is not operating and until such time as the Company acquires a new business enterprise there will not be a business segment.

**Note 4: Earnings Per Share**

	<b>30-Sep-15 12 Months \$</b>	<b>30-Sep-14 12 Months \$</b>
<b>Continuing operations</b>		
Net profit(loss) attributable to ordinary shareholders	(698,029)	(928,239)
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of year	69,296,689	60,257,991
Effect of shares issued	331,072,849	4,383,149
Effect of share options exercised	-	-
Weighted average number of ordinary shares at balance date	400,369,538	64,641,140
	<b>(cents/share)</b>	<b>(cents/share)</b>
Basic and diluted loss per share	(0.170)	(1.44)
Options outstanding are not dilutive		
<b>Discontinued operations</b>		
Net result used in the calculation of basic and diluted earnings per share	-	-
	<b>(cents/share)</b>	<b>(cents/share)</b>
Basic and diluted loss per share	-	-

**Note 5. Events occurring after balance date**

On 9 October 2015 the Company executed a stock purchase agreement to acquire 100% of the shares of Property Connect Inc. subject to approval by shareholders at an extraordinary general meeting scheduled for 16 December 2015.

No other 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 6. Going Concern and Solvency**

The consolidated entity incurred a loss of \$698,029 for the financial year ended 30 September 2015 and subsequent to balance date, has generated a loss. At 30 September 2015 the consolidated entity was also in a net asset and net current asset deficiency of \$54,875.

The Company is in the process of acquiring 100% of the issued shares of Property Connect Inc. subject to shareholder approval at an extraordinary general meeting scheduled for 16 December 2015. The Company is also seeking to raise up to \$2.5M new capital through the issue of 50 million shares at an issue price of \$0.05 each under a prospectus to provide working capital for the Company to achieve its business objectives.