
FARMWORKS AUSTRALIA LIMITED

ACN 091 320 464

APPENDIX 4D

SIX MONTH PERIOD ENDING 30 SEPTEMBER 2010

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FARMWORKS AUSTRALIA LIMITED
ACN 091 320 464

PRELIMINARY FINAL REPORT
PERIOD ENDED 30 SEPTEMBER 2010

Reporting Period	Previous Corresponding Period
Period Ended 30 September 2010	Half Year Ended 30 September 2009

Results for Announcement to Market				
		Percentage Change		Amount AUD \$
Revenue from ordinary activities	up	27573.30%	to	61,934,227
Loss from ordinary activities after income tax attributable to members	up	489.81%	to	(574,047)
Net Loss attributable to members	up	489.81%	to	(574,047)

Dividends (distribution)		
	Amount per Security	Franked Amount per Security
Final Dividend	NIL	NIL
Interim Dividend	NIL	NIL
Record date for determining entitlement to dividend	Not Applicable	

Additional Information		
Control gained over entities having material effect	None	
Control lost over entities having material effect		
Net Tangible Asset per Security	30 Sept 2010 (cents/share)	30 Sept 2009 (cents/share)
Net tangible assets per security	0.001	0.003

The net tangible asset per security in 2009 were calculated on a pre-consolidation basis.

Review of Operations
On 19 February 2010, shareholders approved at the Extraordinary General Meeting the acquisition of Farmworks Merchandising Services Pty Limited. For the six month period ending 30 September 2010, the business contributed revenue of \$61.91m and an operating profit after tax of \$408k.
Significant Changes in the State of Affairs
The Board resolved to change the reporting date from 31 March to 30 September in accordance with Sec 323 of the Corporations Act. The change aligns the company with its competitors across the agricultural sector.
Audit Report
The financial report is in the process of being audited.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010

	Note	Consolidated	
		30 Sept 2010 \$	30 Sept 2009 \$
Revenues	3	61,934,227	223,805
Expenses from ordinary activities	4	(61,226,603)	(23,962)
Finance costs	4	(1,060,670)	-
Depreciation and amortisation expense	5	(269,093)	(35,709)
(Loss) / Profit before income tax expense		(622,139)	164,134
Income tax benefit / (expense)	6	48,092	(16,871)
(Loss) / Profit after income tax expense		(574,047)	147,263
(Loss) / Profit attributable to members of Farmworks Australia Limited		(574,047)	147,263

	Cents	
	2010	2009
Basic earnings / (loss) per share	(0.0113)	0.0001
Diluted earnings / (loss) per share	(0.0113)	0.0001

The basic and diluted earnings per share in 2009 were calculated on a pre-consolidation basis.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

	Note	Consolidated	
		30 Sept 2010 \$	31 March 2010 \$
Current assets			
Cash and cash equivalents		762,438	2,918,367
Trade and other receivables		21,571,626	21,173,106
Inventories		8,097,546	15,665,904
Other current assets		535,232	721,801
Total current assets		30,966,842	40,479,178
Non-current assets			
Security deposits		98,450	-
Investments		-	232,173
Property, plant and equipment		1,908,990	1,872,639
Intangible assets	11	4,584,448	941,903
Deferred tax assets		3,198,187	3,198,187
Other non-current assets		15,500	15,500
Total non-current assets		9,805,575	6,260,402
Total assets		40,772,417	46,739,580
Current liabilities			
Trade and other payables		19,980,276	21,591,065
Deferred cash consideration		354,000	354,000
Provisions		411,708	270,363
Loans and borrowings		12,905,290	16,961,949
Lease liabilities		452,545	394,918
Income tax liabilities		806,444	806,444
Total current liabilities		34,910,263	40,378,739
Non-current liabilities			
Deferred cash consideration		33,480	177,000
Provisions		280,681	-
Lease liabilities		620,370	667,281
Deferred tax liabilities		294,780	294,780
Total non-current liabilities		1,209,311	1,139,061
Total liabilities		36,119,574	41,517,800
Net assets		4,652,843	5,221,780
Equity			
Issued capital	8	64,677,567	64,640,067
Reserves		450,875	483,265
Accumulated losses		(60,475,599)	(59,901,552)
Total equity		4,652,843	5,221,780

To be read in conjunction with the accompanying Notes to the Financial Statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010**

	Consolidated				Total equity
	Issued capital	Foreign currency reserve	Options reserve	Accumulated losses	
	\$	\$	\$	\$	
Balance 1 April 2009	61,961,576	(28,949)	509,181	(59,150,966)	3,290,842
Contributions of equity, net of transaction costs	2,778,491				2,778,491
Cancellation of shares	(100,000)			100,000	-
Foreign currency translation	-	233	-	-	233
Share-based payments	-	-	2,800	-	2,800
Net (income)/expenses recognised directly in equity	-	233	2,800	-	3,033
Loss after income tax benefit	-	-	-	(850,586)	(850,586)
Total recognised income/(expense) for the year	-	233	2,800	(850,586)	(847,553)
Balance 31 March 2010	64,640,067	(28,716)	511,981	(59,901,552)	5,221,780

	Consolidated				Total equity
	Issued capital	Foreign currency reserve	Options reserve	Accumulated losses	
	\$	\$	\$	\$	
Balance 1 April 2010	64,640,067	(28,716)	511,981	(59,901,552)	5,221,780
Options lapse transferred to equity	37,500	-	(37,500)	-	-
Foreign currency translation	-	(66)	-	-	(66)
Share-based payments	-	-	5,176	-	5,176
Net (income)/expenses recognised directly in equity	-	(66)	5,176	-	5,110
Loss after income tax benefit	-	-	-	(574,047)	(574,047)
Total recognised income/(expense) for the year	-	(66)	5,176	(574,047)	(568,937)
Balance 30 September 2010	64,677,567	(28,782)	479,657	(60,475,599)	4,652,843

To be read in conjunction with the accompanying Notes to the Financial Statements

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010

	Note	Consolidated	
		30 Sept 2010 \$	30 Sept 2009 \$
Cash flows from operating activities			
Receipts from customers		67,326,412	704,675
Payment to suppliers and employees		(64,625,516)	(646,316)
		2,700,896	58,359
Interest received		71,839	53,614
Finance costs paid		(1,106,967)	-
Income tax refund received		45,390	-
Income taxes paid		-	(16,871)
Net cash inflow from operating activities	7	1,711,158	95,102
Cash flows from investing activities			
Purchase of property, plant and equipment		(57,208)	-
Payment of security deposits		(95,000)	-
Loans repaid by third parties		225,000	-
Proceeds from sale of investments		324,212	-
Net cash inflow from investing activities		397,004	-
Cash flows from financing activities			
Proceeds from / (repayments of) borrowings		(4,056,659)	-
Proceeds from / (repayments of) lease liabilities		(207,432)	-
Net cash outflow from financing activities		(4,264,091)	-
Net (outflow) / increase in cash and cash equivalents		(2,155,929)	95,102
Cash and cash equivalents at the beginning of the financial year		2,918,367	3,300,043
Cash and cash equivalents at the end of the financial period		762,438	3,395,145

To be read in conjunction with the accompanying Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010

NOTE 1: CORPORATE INFORMATION

The financial report of Farmworks Australia Limited and controlled entities for the six months ended on 30 September 2010 was authorised for issue in accordance with a resolution of the directors on the 30 November 2010.

Farmworks Australia Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publically traded on the Australian Stock Exchange.

The company changed its name from ETT Limited to Farmworks Australia Limited at the Extraordinary General Meeting of members on 19 February 2010.

NOTE 2: BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements.

The accounting policies have been consistently applied by the entities in the consolidated entity and are consistent with those applied in the 31 March 2010 annual report, except where stated.

The preliminary final report should be read in conjunction with the annual report for the year ended 31 March 2010 and any public announcements made by Farmworks Australia Limited and its controlled entities during the six months in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The preliminary financial report does not include notes of the type normally included in an annual financial report.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010

NOTE 6: INCOME TAX BENEFIT

	Consolidated	
	30 Sept 2010 \$	30 Sept 2009 \$
<i>Income tax (benefit) / expense</i>		
Current tax	(48,092)	16,871
Aggregate income tax (benefit) / expense	(48,092)	16,871
<i>Numerical reconciliation of income tax benefit to prima facie tax payable</i>		
Loss before income tax	(622,139)	164,134
Tax at the Australian tax rate 30%	(186,642)	49,240
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	12,241	1,606
Impairment of trade receivables	9,750	(5,400)
Impairment of property, plant & equipment	-	(3,481)
Other permanent differences	3,916	-
	(160,735)	41,965
Current year tax losses not recognised	160,735	(41,965)
Research and development tax offset	-	-
(Overprovision) / underprovision of income tax	(48,092)	16,871
Income tax (benefit) / expense	(48,092)	16,871

NOTE 7: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated	
	2010 \$	2009 \$
Loss after income tax benefit	(574,047)	147,263
Depreciation and amortisation	269,093	35,709
Foreign currency differences	-	165
Share-based payments expense	5,110	2,800
Impairment of trade receivables	32,500	(18,000)
Impairment of property, plant and equipment	-	(11,603)
Profit on sale of investments	(112,039)	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(656,020)	534,484
(Increase)/decrease in inventories	7,568,358	3,371
(Increase)/decrease in other operating assets	(3,480,230)	(48,049)
Increase/(decrease) in trade payables and other liabilities	(1,743,593)	(551,038)
Increase/(decrease) in other provisions	402,026	-
Net cash outflow from operating activities	1,711,158	95,102

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010

NOTE 8: EQUITY

(a) Ordinary shares - authorised and fully paid

Parent		Parent	
30 Sept 2010 Shares	31 March 2010 Shares	30 Sept 2010 \$	31 March 2010 \$
50,854,781	50,854,781	64,677,567	64,640,067
50,854,781	50,854,781	64,677,567	64,640,067

Movements in ordinary share capital

Opening balance 1 April 2010
Options lapse transferred to equity
Balance at 30 September 2010

	No. of shares	\$
	50,854,781	64,640,067
	-	37,500
	50,854,781	64,677,567

(b) Options

Parent	
30 Sept 2010 Options	31 March 2010 Options
10,275,227	10,041,894
10,275,227	10,041,894

Movements in options

Opening balance 1 April 2010
Options issues during the year
- 25 August 2010
Options exercised during year
Options lapsed during year
Balance at 30 September 2010

	No. of options
	10,041,894
	400,000
	-
	(166,667)
	10,275,227

On 25 August 2010 at the Annual General Meeting, shareholders approved the issue of 400,000 options at an exercise price of \$0.25 per option with an expiry date of 16 September 2013.

On 31 August 2010, 166,667 options with an exercise price of \$0.20 per option lapsed.

At the date of this report, the following consolidated options were on issue:

Options	Post Consolidated Exercise Price	Expiry Date
766,667	\$ 1.40	31/08/2011
1,500,000	\$ 0.80	21/12/2010
100,000	\$ 0.80	29/05/2011
333,333	\$ 0.80	21/10/2011
533,333	\$ 0.40	21/10/2012
66,667	\$ 0.80	31/03/2011
6,575,227	\$ 0.24	19/02/2013
400,000	\$ 0.25	16/09/2013
10,275,227		

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010

NOTE 9: EARNINGS PER SHARE

Basic Earnings/ (Loss) per Share: (cents/share)

Basic earnings/(loss) per share

The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

(a) Earnings/(Loss) after income tax

(b) Weighted average number of ordinary shares
(calculated on a post consolidation basis for the 2010 financial year)

Diluted Earnings / (Loss) per Share: (cents/share)

Diluted earnings / (loss) per share

The earnings and weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share is as follows:

(a) Earnings/(Loss) after income tax

(b) Weighted average number of ordinary and potential ordinary shares
(calculated on a post consolidation basis for the 2010 financial year)

Consolidated	
30 Sept 2010 (cents/share)	30 Sept 2009 (cents/share)
(0.0113)	0.0001
(574,047)	147,263
30 Sept 2010 No.	30 Sept 2009 No.
50,854,781	1,331,635,574
30 Sept 2010 (cents/share)	30 Sept 2009 (cents/share)
(0.0113)	0.0001
(574,047)	147,263
30 Sept 2010 No.	30 Sept 2009 No.
50,854,781	1,331,635,574

NOTE 10: NET TANGIBLE ASSET PER SECURITY

Net tangible assets per security
(calculated on a post consolidation basis for the 2010 financial year)

30 Sept 2010 (cents/share)	30 Sept 2009 (cents/share)
0.001	0.003

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010

NOTE 11: INTANGIBLE ASSETS

Intangible assets

Consolidated	
30 Sept 2010	31 March 2010
\$	\$
4,584,448	941,903
4,584,448	941,903

On 12 March 2010, the consolidated entity acquired 100% of the share capital of Farmworks Merchandising Services Pty Limited. In accordance with Accounting Standard AASB 3 Business Combinations, there is twelve months to finalise the values and purchase price allocation. As at the date of this report, the Directors are still assessing the values and purchase price allocation of the acquisition.

NOTE 12: SEGMENT REPORTING

The consolidated entity predominately operated in one business segment being the agricultural sector within Australia.

NOTE 13: SUBSIDIARIES

The consolidated financial results incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 1:

Name of entity	Country of incorporation	Equity holding	
		2010 %	2009 %
Ultimate Internet Pty Limited	Australia	100	100
Ultimate Transactions Pty Limited	Australia	100	100
Ultimate Axess Pty Limited	Australia	100	100
ETT Access Limited	New Zealand	100	100
Farmworks Merchandising Services Pty Limited	Australia	100	-
Conquest Crop Protection Pty Ltd	Australia	100	-
Farmworks Australia Livestock Pty Ltd	Australia	100	-
Farmworks Property (WA) Pty Ltd	Australia	100	-
Farmworks Australian Financial Services Pty Ltd	Australia	100	-
Farmworks Investments Pty Ltd	Australia	100	-
Farmworks Financial Solutions Pty Ltd	Australia	100	-
Farmworks Hyden Pty Ltd	Australia	100	-
Farmworks Narrogin Pty Ltd	Australia	100	-
Farmworks Corrigin Pty Ltd	Australia	100	-
Farmworks Esperance Pty Ltd	Australia	100	-
Farmworks Carnamah Pty Ltd	Australia	100	-
Medmark International Pty Ltd (a)	Australia	-	100

(a) On 5 May 2009, an application for voluntary deregistration of a company was lodged with the Australian Securities and Investments Commission (ASIC). The application was made for the wholly owned subsidiary Medmark International Pty Limited. Consent was obtained from ASIC and the company was deregistered on the 8 July 2009.

NOTE 14: EVENTS OCCURRING AFTER BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

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