

Lycopodium Limited and Controlled Entities

ABN 83 098 556 159

Appendix 4E - Preliminary Final Report for the year ended 30 June 2018

Lycopodium Limited and Controlled Entities ABN 83 098 556 159
Appendix 4E - Preliminary Final Report - 30 June 2018

Lodged with the ASX under Listing Rule 4.3A.
This information should be read in conjunction with the
Annual report

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Lycopodium Limited and Controlled Entities
Appendix 4E - Preliminary Final Report
For the year ended 30 June 2018

Results for announcement to the market

				\$
Revenue from ordinary activities <i>(Appendix 4E item 2.1)</i>	Down	10.2%	to	194,568,891
Profit from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.2)</i>	Up	76.5%	to	18,170,186
Net profit for the period attributable to members <i>(Appendix 4E item 2.3)</i>	Up	76.5%	to	18,170,186

	\$	\$
Dividends / distributions <i>(Appendix 4E item 2.4)</i>	Amount per security	Franked amount per security
Final dividend <i>(cents)</i>	18.0	18.0

Key ratios	2018	2017
	June	June
Basic earnings per share (cents)	45.7	25.9
Net tangible assets per shares (cents)	182.6	155.5

Record date for determining entitlements to the final dividends

28 September 2018

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Preliminary Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

		Consolidated	
	Notes	2018	2017
		\$	\$
Revenue from operations	3	194,568,891	216,616,442
Employee benefits expense		(67,562,580)	(61,898,213)
Depreciation and amortisation expense	4	(1,228,479)	(1,171,764)
Project expenses		(17,418,251)	(9,843,966)
Equipment and materials		(23,838,936)	(74,207,912)
Contractors		(41,753,703)	(38,255,322)
Occupancy expense		(8,577,494)	(8,052,368)
Impairment of goodwill	6	(1,095,048)	(263,242)
Other expenses		(8,793,785)	(9,540,001)
Loss on disposal of asset		(2,080)	(1,634)
Finance costs		(120,741)	(93,651)
Share of net profit of associates and joint ventures accounted for using the equity method		1,112,681	1,019,251
Profit before income tax		25,290,475	14,307,620
Income tax expense	5	(6,957,088)	(3,934,091)
Profit for the year		18,333,387	10,373,529
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets	8(a)	325,511	7
Exchange gains/(losses) on translation of foreign operations	8(a)	(26,508)	111,932
Other comprehensive income/(expense) for the year, net of tax		299,003	111,939
Total comprehensive income for the year		18,632,390	10,485,468
Profit for the year is attributable to:			
Owners of Lycopodium Limited		18,170,186	10,292,083
Non-controlling interests		163,201	81,446
		18,333,387	10,373,529
Total comprehensive income for the year is attributable to:			
Owners of Lycopodium Limited		18,469,189	10,404,022
Non-controlling interests		163,201	81,446
		18,632,390	10,485,468
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	12(a)	45.7	25.9
Diluted earnings per share	12(b)	45.7	25.9

The above preliminary statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Lycopodium Limited and Controlled Entities
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Preliminary Balance Sheet
As at 30 June 2018

	Consolidated	
	2018	2017
Notes	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	74,287,788	85,334,769
Trade and other receivables	37,616,637	36,919,288
Inventories	819,844	327,430
Derivative financial assets	-	164,994
Current tax receivables	1,334,151	1,344,040
Other current assets	1,740,851	2,149,687
Total current assets	115,799,271	126,240,208
Non-current assets		
Investments accounted for using the equity method	2,767,690	2,227,735
Available-for-sale financial assets	1,256,106	102,963
Property, plant and equipment	3,434,487	3,174,174
Intangible assets	6,792,017	7,421,173
Other receivables	332,356	442,616
Deferred tax assets	8,350,798	3,797,930
Total non-current assets	22,933,454	17,166,591
Total assets	138,732,725	143,406,799
LIABILITIES		
Current liabilities		
Trade and other payables	31,749,229	64,080,967
Borrowings	696,905	509,731
Derivative financial liabilities	27,694	-
Current tax liabilities	9,568,881	3,978,266
Provisions	16,361,009	4,280,795
Total current liabilities	58,403,718	72,849,759
Non-current liabilities		
Borrowings	562,066	832,912
Provisions	416,531	500,796
Total non-current liabilities	978,597	1,333,708
Total liabilities	59,382,315	74,183,467
Net assets	79,350,410	69,223,332
EQUITY		
Contributed equity	20,823,772	20,823,772
Reserves	(689,039)	(988,042)
Retained profits	56,238,757	46,412,369
Parent entity interest	76,373,490	66,248,099
Non-controlling interests	2,976,920	2,975,233
Total equity	79,350,410	69,223,332

The above preliminary balance sheet should be read in conjunction with the accompanying notes.

Lycopodium Limited and Controlled Entities
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Preliminary Statement of Changes in Equity
For the year ended 30 June 2018

Consolidated entity	Notes	Contributed equity \$	Retained profits \$	Foreign currency translation reserve \$	Available for sale investment revaluation reserve \$	Performance rights reserve \$	Non-con- trolling interests \$	Total equity \$
Balance at 1 July 2016		20,823,772	41,285,494	(1,016,051)	(83,930)	259,037	3,062,695	64,331,017
Profit for the year		-	10,292,083	-	-	-	81,446	10,373,529
Other comprehensive income / (expense)		-	-	111,932	7	-	-	111,939
Total comprehensive income for the year		-	10,292,083	111,932	7	-	81,446	10,485,468
Transactions with owners in their capacity as owners:								
Foreign currency translation with non-controlling interest		-	-	-	-	-	(168,908)	(168,908)
Dividends provided for or paid	9	-	(5,165,208)	-	-	-	-	(5,165,208)
Performance rights - expired	8	-	-	-	-	(259,037)	-	(259,037)
		-	(5,165,208)	-	-	(259,037)	(168,908)	(5,593,153)
Balance at 30 June 2017		20,823,772	46,412,369	(904,119)	(83,923)	-	2,975,233	69,223,332
Balance at 1 July 2017		20,823,772	46,412,369	(904,119)	(83,923)	-	2,975,233	69,223,332
Profit for the year		-	18,170,186	-	-	-	163,201	18,333,387
Other comprehensive income / (expense)		-	-	(26,508)	325,511	-	-	299,003
Total comprehensive income for the year		-	18,170,186	(26,508)	325,511	-	163,201	18,632,390
Transactions with owners in their capacity as owners:								
Foreign currency translation with non-controlling interest		-	-	-	-	-	(161,514)	(161,514)
Dividends provided for or paid	9	-	(8,343,798)	-	-	-	-	(8,343,798)
		-	(8,343,798)	-	-	-	(161,514)	(8,505,312)
Balance at 30 June 2018		20,823,772	56,238,757	(930,627)	241,588	-	2,976,920	79,350,410

The above preliminary statement of changes in equity should be read in conjunction with the accompanying notes.

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Preliminary Statement of Cash Flows
For the year ended 30 June 2018

	Consolidated	
Notes	2018	2017
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	170,346,647	237,498,193
Payments to suppliers and employees (inclusive of goods and services tax)	(167,859,200)	(187,908,401)
	2,487,447	49,589,792
Interest received	1,847,145	1,557,922
Income taxes paid	(5,909,452)	(1,814,985)
Net cash (outflow)/inflow from operating activities	11 (1,574,860)	49,332,729
Cash flows from investing activities		
Dividends received from joint ventures and associate	572,726	560,267
Payments for property, plant and equipment	(1,053,110)	(335,812)
Proceeds from sale of property, plant and equipment	20,240	6,311
Payments for intangible assets	(631,529)	(50,116)
Proceeds from available-for-sale financial assets	921,288	-
Payment for available-for-sale financial assets	(75,000)	-
Net cash (outflow)/inflow from investing activities	(245,385)	180,650
Cash flows from financing activities		
Proceeds from borrowings	1,274,258	1,231,311
Repayments of borrowings	(1,203,222)	(1,229,832)
Dividends paid to company's shareholders	(8,343,798)	(5,165,208)
Repayments of hire purchase and lease liabilities	(504,329)	(227,765)
Loans advanced to joint venture	(884,000)	(336,000)
Repayment of loans from associate	387,500	-
Proceeds from repayment of loans under the senior manager share acquisition plan	110,261	79,282
Net cash outflow from financing activities	(9,163,330)	(5,648,212)
Net (decrease)/increase in cash and cash equivalents	(10,983,575)	43,865,167
Cash and cash equivalents at the beginning of the financial year	85,334,769	41,547,757
Effects of exchange rate changes on cash and cash equivalents	(63,406)	(78,155)
Cash and cash equivalents at end of year	74,287,788	85,334,769

The above preliminary statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

(a) Basis of preparation

This preliminary financial report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2017 and with any public announcement made by Lycopodium Limited during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year.

2 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board considers the business from both a product and geographic perspective and has identified nine operating segments of which four (2017: four) are reportable in accordance with the requirements of AASB 8.

The Corporate Services segment consists of managerial and legal services provided to the group in addition to strategic investment holdings.

The Minerals segment consists of engineering and related services provided to the extractive mining industry. The clients, including junior exploration companies and major multinational producers, are developing projects for a wide range of commodities. These projects range in scope from large greenfield projects involving process plant and equipment, civil, building works, control systems, services and infrastructure to small skid-mounted pilot plants.

The Process Industries segment consists of engineering and related services provided to the manufacturing and renewable energy facilities throughout Australia and South East Asia.

The Project Services - Africa segment consists of project management, construction management and commissioning services provided to the extractive mining industry in Africa.

All other operating segments are not reportable operating segments, as they fall under the quantitative thresholds of AASB 8. The results of these operations are included in the 'Other' column.

The remaining operating segments that are not reportable consists of:

Infrastructure: asset management, engineering, architectural and project delivery services to a wide range of private and public clients across Australia.

Metallurgical: metallurgical consulting providing a range of services to the mineral processing community, primarily in the field of comminution, hydrometallurgy and mineral processing design.

Project Services Asia: provision of drafting services for offshore Lycopodium entities.

2 Segment information (continued)

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2018 and 30 June 2017 are as follows:

2018	Corporate Services	Minerals			Project Services - Africa	Industrial Process	Other	Total
		Asia Pacific	North America	Africa				
	\$	\$	\$	\$	\$	\$	\$	\$
Total segment revenue	14,216,665	117,526,791	17,163,303	32,692,363	22,382,754	9,840,954	24,019,294	237,842,124
Inter-segment revenue	(13,580,951)	(4,659,510)	(6,777,315)	-	(8,665,611)	(334,146)	(9,255,700)	(43,273,233)
Revenue from external customers	635,714	112,867,281	10,385,988	32,692,363	13,717,143	9,506,808	14,763,594	194,568,891
Profit / (Loss) before tax	(378,949)	18,004,649	1,167,134	1,705,232	4,559,880	(76,389)	1,403,966	26,385,523
Interest in the profit of equity accounted joint ventures	696,487	416,194	-	-	-	-	-	1,112,681
Depreciation and amortisation	153	716,478	70,962	219,818	1,653	59,249	160,166	1,228,479
Income tax benefit / (expense)	443,258	(4,916,146)	(302,819)	(776,598)	(1,179,354)	(52,701)	(172,728)	(6,957,088)
Total segment assets	22,478,193	65,123,623	9,446,818	17,106,363	7,641,097	5,118,600	11,782,914	138,697,608
Total assets includes:								
Investment in joint ventures	1,493,641	1,274,049	-	-	-	-	-	2,767,690
Additions to non-current assets (other than financial assets and deferred tax)	-	864,816	129,863	256,563	-	142,493	543,909	1,937,644
Total segment liabilities	1,502,239	39,225,091	5,982,709	5,876,314	5,772,947	2,753,378	4,308,836	65,421,514

2 Segment information (continued)

(b) Segment information provided to the Board of Directors (continued)

2017	Corporate Services	Minerals			Project Services - Africa	Industrial Process	Other	Total
		Asia Pacific	North America	Africa				
	\$	\$	\$	\$	\$	\$	\$	\$
Total segment revenue	14,854,323	137,132,984	21,649,588	41,116,856	16,834,804	4,179,161	21,989,969	257,757,685
Inter-segment revenue	(14,741,676)	(3,427,752)	(7,614,681)	(114,273)	(5,316,980)	(353,497)	(9,572,384)	(41,141,243)
Revenue from external customers	112,647	133,705,232	14,034,907	41,002,583	11,517,824	3,825,664	12,417,585	216,616,442
Profit / (Loss) before tax	788,088	9,080,813	(746,232)	984,779	2,784,941	(199,343)	1,877,816	14,570,862
Interest in the profit of equity accounted joint ventures	927,295	91,956	-	-	-	-	-	1,019,251
Depreciation and amortisation	153	593,629	76,075	309,152	3,831	31,048	157,876	1,171,764
Income tax benefit / (expense)	711,881	(2,910,830)	80,616	(650,065)	(402,807)	59,258	(822,144)	(3,934,091)
Total segment assets	22,748,913	66,636,322	4,725,219	17,556,315	14,545,417	4,082,881	10,070,508	140,365,575
Total assets includes:								
Investment in joint ventures	1,369,880	857,855	-	-	-	-	-	2,227,735
Additions to non-current assets (other than financial assets and deferred tax)	-	1,482,555	16,935	58,764	-	1,398	205,939	1,765,591
Total segment liabilities	3,749,923	49,142,644	2,461,174	6,374,583	11,501,412	1,588,570	3,386,944	78,205,250

2 Segment information (continued)

(c) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the board of directors is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

The entity is domiciled in Australia. The result of its revenue from external customers in Australia is \$59,271,697 (2017: \$24,016,675), and the total of revenue from external customers from other countries is \$135,297,193 (2017: \$192,599,767). Segment revenues are allocated based on the country in which the customer is located.

Revenues of approximately \$70,186,213 (2017: \$91,090,536) are derived from the top 3 customers. These revenues are attributable to the Minerals segment.

(ii) Segment profit before tax

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax.

A reconciliation of segment profit before tax to the profit before tax in the statement of profit or loss and other comprehensive income is provided as follows:

	Consolidated	
	2018	2017
	\$	\$
Segment profit before tax	26,385,523	14,570,862
Goodwill impairment	(1,095,048)	(263,242)
Profit before income tax as per preliminary statement of profit or loss and other comprehensive income	25,290,475	14,307,620

(iii) Segment assets

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial report. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as per the preliminary balance sheet as follows:

	Consolidated	
	2018	2017
	\$	\$
Segment assets	138,697,608	140,365,575
Intersegment eliminations	(6,091,111)	(4,180,052)
Intangibles arising on consolidation	6,126,228	7,221,276
Total assets as per the preliminary balance sheet	138,732,725	143,406,799

(iv) Segment liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial report. These liabilities are allocated based on the operations of the segment.

Reportable segments' liabilities are reconciled to total liabilities as per the preliminary balance sheet as follows:

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(continued)

2 Segment information (continued)

(c) Other segment information (continued)

(iv) Segment liabilities (continued)

	Consolidated	
	2018	2017
	\$	\$
Segment liabilities	65,421,514	78,205,250
Intersegment eliminations	(6,039,199)	(4,021,783)
Total liabilities as per the preliminary balance sheet	59,382,315	<u>74,183,467</u>

3 Revenue

	Consolidated	
	2018	2017
	\$	\$
From operations		
<i>Sales revenue</i>		
Contract revenue	192,016,864	214,817,550
<i>Other revenue</i>		
Rents and sub-lease rentals	68,888	59,803
Bank interest	1,883,705	1,639,559
Other revenue	599,434	99,530
	2,552,027	<u>1,798,892</u>
Total revenue from operations	194,568,891	<u>216,616,442</u>

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4 Expenses

	2018	2017
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Fixtures and fittings	528,652	649,407
Leasehold improvements	52,830	60,331
Leased plant and equipment	454,110	160,172
Motor vehicles	9,956	18,826
Total depreciation	1,045,548	888,736
<i>Amortisation</i>		
Computer software	182,931	283,028
Total depreciation and amortisation	1,228,479	1,171,764
<i>Finance costs</i>		
Interest and finance charges paid/payable	120,741	93,651
Net loss on disposal of property, plant and equipment	2,080	1,634
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	8,577,494	8,052,368

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5 Income tax expense

(a) Income tax expense

	Consolidated	
	2018	2017
	\$	\$
Current tax	11,841,388	4,879,361
Deferred tax	(4,533,986)	(1,184,980)
Adjustments for current tax of prior periods	(350,314)	239,710
	6,957,088	3,934,091
Deferred income tax included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	(4,345,535)	(1,464,815)
Increase/(decrease) in deferred tax liabilities	(188,451)	279,835
	(4,533,986)	(1,184,980)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated	
	2018	2017
	\$	\$
Profit before income tax expense	25,290,475	14,307,620
Tax at the Australian tax rate of 30% (2017: 30%)	7,587,143	4,292,286
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Goodwill impairment	328,514	78,973
Sundry items	191,858	278,688
	8,107,515	4,649,947
Adjustments for current tax of prior periods - under/(over) provision of prior year income tax	(350,314)	239,710
Difference in overseas tax rates	(567,357)	(267,374)
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(466,812)
Deferred taxes not recognised	101,048	84,395
Share of net profit of joint ventures accounted for using the equity method	(333,804)	(305,775)
Income tax expense	6,957,088	3,934,091

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(continued)

6 Non-current assets - Intangible assets

	Goodwill \$	Software \$	Customer contracts \$	Total \$
At 1 July 2016				
Cost	8,885,406	1,934,790	315,000	11,135,196
Accumulated amortisation and impairment	(1,319,822)	(1,592,621)	(315,000)	(3,227,443)
Net book amount	7,565,584	342,169	-	7,907,753
Year ended 30 June 2017				
Opening net book amount	7,565,564	342,169	-	7,907,733
Additions	-	50,116	-	50,116
Amortisation charge *	-	(283,028)	-	(283,028)
Impairment loss recognised	(263,242)	-	-	(263,242)
Transfers from property, plant and equipment	-	9,650	-	9,650
Exchange differences	-	(56)	-	(56)
Closing net book amount	7,302,322	118,851	-	7,421,173
Year ended 30 June 2018				
Opening net book amount	7,302,322	118,851	-	7,421,173
Additions	-	631,529	-	631,529
Amortisation charge *	-	(182,931)	-	(182,931)
Impairment loss recognised	(1,095,048)	-	-	(1,095,048)
Disposal	-	17,895	-	17,895
Exchange differences	-	(601)	-	(601)
Closing net book amount	6,207,274	584,743	-	6,792,017
At 30 June 2018				
Cost	8,885,406	2,478,811	315,000	11,679,217
Accumulated amortisation and impairment	(2,678,132)	(1,894,068)	(315,000)	(4,887,200)
Net book amount	6,207,274	584,743	-	6,792,017

* Group amortisation of \$182,931 (2017: \$283,028) is included in depreciation and amortisation expense in the statement of comprehensive income.

6 Non-current assets - Intangible assets (continued)

(a) Impairment tests for goodwill

Goodwill is allocated to the group cash-generating units (CGUs) identified according to business segment and country of operation.

A segment-level summary of the goodwill allocation is presented below.

	Australia \$	Other countries \$	Total \$
2018			
Minerals	3,622,991	2,465,026	6,088,017
Metallurgical	119,257	-	119,257
	3,742,248	2,465,026	6,207,274
	Australia \$	Other countries \$	Total \$
2017			
Minerals	3,622,991	2,465,026	6,088,017
Infrastructure	1,095,048	-	1,095,048
Metallurgical	119,257	-	119,257
	4,837,296	2,465,026	7,302,322

Infrastructure

The forecast was adjusted in 2018 for the decline in asset management services in the Infrastructure segment due to increased competition in the sector. As a result, the Board expects lower growth and declining profit margins for this segment.

Impairment testing, taking into account these latest developments, resulted in a reduction in goodwill in 2018 of \$1,095,048. The related goodwill impairment loss of \$1,095,048 (2017: \$263,242 in Process industries) was included within impairment of non-financial assets.

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7 Current liabilities - Provisions

	Consolidated	
	2018	2017
	\$	\$
Service and equipment warranties	16,361,009	4,280,795

(a) Movements in provisions

2018	Service and equipment warranties	Total
	\$	\$
Carrying amount at beginning of year	4,280,795	4,280,795
Provisions recognised	12,080,214	12,080,214
Carrying amount at end of year	16,361,009	16,361,009

The group recognises service and equipment warranty provisions in accordance with its current policy. The amount provided takes into account the percentage completion of the project, forecast to complete costs plus any close-out obligations and potential contractual liabilities during the warranty period. The increase in the balance for the financial year ended 30 June 2018 reflects multiple major projects nearing completion or completed.

8 Reserves and retained profits

(a) Reserves

	Consolidated	
	2018	2017
	\$	\$
Available-for-sale investment revaluation reserve	241,588	(83,923)
Foreign currency translation reserve	(930,627)	(904,119)
	(689,039)	(988,042)

	Consolidated	
	2018	2017
	\$	\$
Movements:		
<i>Available-for-sale investment revaluation reserve</i>		
Balance 1 July	(83,923)	(83,930)
Revaluation - gross	465,015	10
Deferred tax	(139,504)	(3)
Balance 30 June	241,588	(83,923)

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Preliminary Selected Notes to the Financial Statements
For the year ended 30 June 2018
(continued)

8 Reserves and retained profits (continued)

(a) Reserves (continued)

	Consolidated	
	2018	2017
	\$	\$
<i>Performance rights reserve</i>		
Balance 1 July	-	259,037
Expiry of performance rights	-	(259,037)
Balance 30 June	-	-
<i>Foreign currency translation reserve</i>		
Balance 1 July	(904,119)	(1,016,051)
Currency translation differences arising during the year	(26,508)	111,932
Balance 30 June	(930,627)	(904,119)

(b) Retained profits

	Consolidated	
	2018	2017
	\$	\$
Balance 1 July	46,412,369	41,285,494
Profit for the year	18,170,186	10,292,083
Dividends	(8,343,798)	(5,165,208)
Balance 30 June	56,238,757	46,412,369

9 Dividends

(a) Ordinary shares

	Parent entity	
	2018	2017
	\$	\$
Final dividend for the year ended 30 June 2017 of 9.0 cents (2017: 4.0 cents) per fully paid share paid on 10 October 2017 (2017: 13 October 2016) Fully franked based on tax paid @ 30% (2017: 30%)	3,575,914	1,589,295
Interim dividend for the year ended 30 June 2018 of 12.0 cents (2017: 9.0 cents) per fully paid share paid on 10 April 2018 (2017: 13 April 2017) Fully franked based on tax paid @ 30% (2017: 30%)	4,767,885	3,575,914
Total dividends provided for or paid	8,343,799	5,165,209

9 Dividends (continued)

(b) Dividends not recognised at the end of the reporting period

Parent entity	
2018	2017
\$	\$

In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 18.0 cents per fully paid ordinary share (2017: 9.0 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 12 October 2018 out of retained earnings at 30 June 2018, but not recognised as a liability at year end, is

7,151,827	3,575,914
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10 Events occurring after the reporting period

With the exception of the dividends as noted in note 9(b), no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

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(continued)

11 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated	
	2018	2017
	\$	\$
Profit for the year	18,333,387	10,373,528
Depreciation and amortisation	1,228,479	1,171,764
Impairment of goodwill	1,095,048	263,242
Loans advanced to joint venture (incl at cash flows from financing activities)	884,000	336,000
Repayment of loans from associate (incl at cash flow from financing activities)	(387,500)	-
Proceeds from available-for-sale financial assets (incl at cash flow from investing activities)	(921,288)	-
Non-cash employee benefits expense - share-based payments	-	(259,037)
Non-cash shares received in lieu of payment for services	(878,875)	-
Net (gain)/loss on sale of non-current assets	(35,653)	1,634
Share of net profit of associate and joint venture accounted for using the equity method	(1,112,681)	(1,019,251)
Interest relating to financing activities	96,617	56,377
Finance lease expense	-	43,011
Change in operating assets and liabilities:		
Increase in trade debtors and other receivables	(697,349)	(10,393,981)
(Increase)/decrease in inventories	(492,414)	376,256
Increase in deferred tax assets	(4,552,868)	(866,965)
Decrease/(increase) in other operating assets	408,836	(356,658)
(Decrease)/increase in trade creditors	(32,331,738)	42,644,013
Increase in provision for income taxes payable	5,600,504	2,986,072
Increase in other provisions	11,995,947	4,141,718
Decrease/(increase) in derivative financial assets	192,688	(164,994)
Net cash inflow from operating activities	<u>(1,574,860)</u>	<u>49,332,729</u>

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(continued)

12 Earnings per share

(a) Basic earnings per share

	Consolidated	
	2018	2017
	Cents	Cents
Basic earnings per share attributable to the ordinary equity holders of the company	45.7	25.9

(b) Diluted earnings per share

	Consolidated	
	2018	2017
	Cents	Cents
Diluted earnings per share attributable to the ordinary equity holders of the company	45.7	25.9

(c) Reconciliation of earnings used in calculating earnings per share

	Consolidated	
	2018	2017
	\$	\$
<i>Basic earnings per share</i> Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	18,170,186	10,292,083
<i>Diluted earnings per share</i> Used in calculating diluted earnings per share	18,170,186	10,292,083

(d) Weighted average number of shares used as denominator

	Consolidated	
	2018	2017
	Number	Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	39,732,373	39,732,373

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Supplementary Appendix 4E information
As at 30 June 2018

Additional dividend/distribution information (Appendix 4E item 6)

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2018 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security
03 April 2018	13 April 2018	Interim	12.0 cents	4,767,885	12.0 cents
28 September 2018	12 October 2018	Final	18.0 cents	7,151,827	18.0 cents

Audit Alert (Appendix 4E items 15 - 17)

This report is based on accounts which are in the process of being audited.