1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the year ended 30 June 2018
Previous period:	For the year ended 30 June 2017

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	89.9%	to	289,965
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	down	40.4%	to	(1,077,708)
Loss for the year attributable to the owners of A1 Investments & Resources Ltd	down	40.4%	to	(1,077,708)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $1,077,708 (30 June 2017: $1,806,937).

Refer to 'Review of operations' in the Directors' report for further commentary on the results of the consolidated entity for the year ended 30 June 2018.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.01)	-

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	**Reporting period %**	**Previous period %**	**Reporting period $**	**Previous period $**
COTY Guam LLC	50.00%	50.00%	-	-
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			-	-
Income tax on operating activities			-	-

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of A1 Investments & Resources Ltd for the year ended 30 June 2018 is attached.

12. Signed

Signed ______________________________ Date: 31 August 2018

Charlie Nakamura
Director
Sydney

A1 Investments & Resources Ltd and its controlled entities

ABN 44 109 330 949

Annual Report - 30 June 2018

Contents

Directors	Charlie Nakamura Peter Ashcroft Takashi Araya
Company secretary	Peter Ashcroft
Notice of annual general meeting	The annual general meeting of A1 Investments & Resources Ltd will be held at: the offices of Hall Chadwick Chartered Accountants and Business Advisors Level 40 2 Park Street Sydney NSW 2000 11:00 AM on Thursday, 22 November 2018
Registered office	Suite 606 / 37 Bligh Street Sydney NSW 2000 Australia Tel: +61 2 9114 6888 Fax: +61 2 9232 8883
Principal place of business	Suite 606 / 37 Bligh Street Sydney NSW 2000 Australia
Share register	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Tel: 1300 787 272 Fax: +61 3 9473 2500
Auditor	Hall Chadwick Chartered Accountants and Business Advisors Level 40 2 - 26 Park Street Sydney NSW 2000
Stock exchange listing	A1 Investments & Resources Ltd shares are listed on the Australian Securities Exchange (ASX code: AYI)
Website	www.a1investments.com.au
Corporate Governance Statement	The Corporate Governance Statement was approved by the Board of Directors at the same time as the Annual Report and can be found on the Investor Relations page at www.a1investments.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of A1 Investments & Resources Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors
The following persons were directors of A1 Investments & Resources Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Charlie Nakamura
Peter Ashcroft
Takashi Araya (appointed on 6 April 2018)
Hiroyuki Ogawa (resigned on 6 April 2018)

Principal activities
The principal activities of the consolidated entity during the financial year were those of an investment company focusing on projects in Australia.

There were no significant changes in the consolidated entity's principal activities during the financial year.

The consolidated entity will continue to focus on the food and farming sectors in Australia in the next financial year.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,077,708 (30 June 2017: $1,806,937).

There has been no substantial changes to the focus of the businesses of the consolidated entity since the financial year ended 30 June 2017. Throughout the year to 30 June 2018 the consolidated entity remained focused on food production businesses and this will continue to be the focus of the consolidated entity for the future. The consolidated entity proposes that it will operate and manage its current and future agricultural businesses as 'A1Ag'.

Managing farming properties
The consolidated entity manages the property known as Hirchbrooke for the mutual benefit of the consolidated entity and the property owner, WIN Properties Australia Pty Ltd (‘WIN Properties’). The property remains for the benefit of the A1 Qualipac joint venture (a joint venture investment of the Group - see below). WIN Corporation (the holding company of the property owner) agreed that WIN Properties would seek to mortgage Hirchbrooke to permit the purchase of a further property to also be made available to the A1 Qualipac joint venture. All properties managed by the consolidated entity would be focused on vegetable production as part of the consolidated entity’s primary business focus, the production of food. Several properties were examined but no new property was acquired by WIN Properties during the year ended 30 June 2018.

In the future the consolidated entity intends to seek new investors to purchase farms to be managed by the consolidated entity for further food production.

Joint Venture with Qualipac
The Qualipac group in Queensland ('Qualipac') has contracted with the consolidated entity to operate Hirchbrooke as part of its obligations under the joint venture arrangement. Qualipac is a group of unrelated companies operated by the Qualishefski family in southern Queensland. The Qualishefski family companies are a well established vegetable production group having farmed the Lockyer Valley west of Brisbane for over 120 years.

The consolidated entity and Qualipac farmed the Hirchbrooke property during the period pursuant to the joint arrangement but significant unseasonal hot and dry weather persisted in the area during the financial year which resulted in lower than expected yields.

The consolidated entity is undertaking improved production techniques on Hirchbrooke including the installation of a new lateral irrigator in early 2018. This will increase irrigable land from 38 hectares to 105 hectares. The first production is now in the ground and the first harvest from this production will be in the first quarter of the 2019 financial year. Further soil testing and chemical treatment is also taking place.

The consolidated entity has a reasonable expectation that the Queensland Qualipac joint venture will realise a trading profit in the year to 30 June 2019.

In the future the consolidated entity intends to seek new investors in order to expand the Qualipac joint venture into southern Australia. The consolidated entity has a reasonable expectation that if adequate new funding is secured that the new southern Australia Qualipac joint venture will have reasonable revenue in the 2018-19 year and be profitable in the 2019-20 year.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 6 July 2018, the company announced that it signed a mandate with JB Advisory Pty Limited ('the advisor') whereby the advisor will assist the company with its capital requirements including an initial raise of up to $1,200,000 by way of placements from professional or sophisticated investors.

The term of the agreement with the advisor is 24 months (with a further 12 months at the option of the advisor). The proposed issue price of the shares in the initial raise is $0.0004 per share.

On 6 July 2018 the company announced the consolidated entity intends to seek new investors in order to expand the Qualipac joint venture into southern Australia. The consolidated entity has a reasonable expectation that if adequate new funding is secured that the new southern Australia Qualipac joint venture will generate reasonable revenue in the 2018-19 year and be profitable in the 2019-20 year.

On 9 July 2018, the company announced that it had entered into an agreement with Qualipac Farming to extend the current Queensland joint venture to southern Australia subject to the company raising additional capital as detailed above.

The objective of the expansion is to lower the overall farming risks of the joint venture by better managing the weather risks of farming in Australia.

On 16 July 2018 the company announced it had entered a Memorandum, with a director of Bundybunna Aboriginal Corporation (in liquidation) to enter a 10 year lease with two 5 year options for an 11,000 hectare property at Mullewa in central Western Australia. The intent of the company is to expand the consolidated entity’s agricultural operations Australia wide and to create an Australian wide business.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The consolidated entity is continuing to examine opportunities as they may be presented.

The consolidated entity has determined that its primary focus will be food production businesses in Australia, including export food businesses. A1 will remain focused on the following industry sectors:

1. Wholesale Food businesses

- the supply of vegetables produced by the A1 Qualipac joint venture;
- the extension and expansion of the Qualipac joint venture to other geographical areas which would permit the joint venture to supply its products throughout the year;
- the supply of vegetables to Asia, primarily Singapore, Taiwan and Japan;
- the supply of vegetables, grains, meat and potentially wool to the Australian domestic market, and to Asia, with a focus on China (meat and wool), Japan, Singapore and Taiwan (meat and vegetables);
- the expansion of the A1 Qualipac joint venture to further producing properties, primarily in southern Queensland and southern Australia; and
- the supply of livestock for meat production.

2. Food industry investment opportunities

- the consolidated entity is examining other food industry investment opportunities including the possibility of acquiring a substantial interest in an existing successful wholesale food business.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Charlie Nakamura
Title:	Managing Director and Chief Executive Officer
Qualifications:	B.IE (U.Nihon, Japan), MBA (U.Dubuque, USA)
Experience and expertise:	Charlie Nakamura worked for the Tokai Bank (a major Japanese bank that has merged and become the current Bank of Tokyo-Mitsubishi UFJ) from 1991 to 2002. During his time in Tokai Bank, Charlie's major activities included corporate finance, project finance, structure finance and international trading. In 1998, Charlie transferred to Tokai Australia Finance Corporation, Tokai Bank's Australian subsidiary. Charlie was a head of the corporate finance department for the Japanese corporations, which included Toyota, Mitsubishi Corporation, Mitsui Corporation and many other major Japanese companies in Australia. In 2000, Tokai joined the project finance ('PF') deal between BHP and Mitsubishi Corporation. Charlie was Tokai's representative for this PF, which was well known as the "Blackwater" coking coal mining project. After a successful completion of the Blackwater project, Charlie was involved in various resource projects and made extensive networks in Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	246,881,362 ordinary shares
Interests in rights:	100,000,000 rights over ordinary shares

Name:	Peter Ashcroft
Title:	Executive Chairperson
Qualifications:	LLB (University of Sydney), Solicitor of the Supreme Court of NSW and High Court of Australia (no longer practicing)
Experience and expertise:	Peter Ashcroft was a commercial law specialist with over 35 years' experience. He has assisted various companies in recent years to list, finance their operations with both debt and equity as well as manage their legal risks. Peter has worked with development and investment companies throughout Australia and has advised on joint ventures in Indonesia, New Zealand, the Philippines, India, USA, Sweden, Ghana, Canada and Madagascar. Peter has for many years lectured on natural resource law, trade practices, company law and corporate governance and compliance. Peter provides specialist commercial and corporate advice to the company and its joint operations.
Other current directorships:	None
Former directorships (last 3 years):	Torian Resources NL, Goldsearch Limited
Special responsibilities:	Company Secretary
Interests in shares:	120,000,000 ordinary shares
Interests in rights:	100,000,000 rights over ordinary shares

Name:	Takashi Araya
Title:	Non-Executive Director
Qualifications:	Master degree Department of Chinese(Peking University China)
Experience and expertise:	Takashi Araya has over 25 years experience in the Human Resource in Asia Region. Being an HR professional in Singapore, MD Araya is well-versed in the current trend of work pass and labour issues. Having numerous connections with various Japanese, MNC and local companies, he also serves as a member of a wage survey committee for the Japanese Chamber of Commerce & Industry Singapore (JCCI). Takashi Araya is a managing director of FIND Pte Ltd in Singapore a position he has held since 2017.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary
Peter Ashcroft is an experienced company secretary and occupies this role along with being an executive director of the company. Refer to Information on Directors for further details on Peter.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Charlie Nakamura	15	15
Peter Ashcroft	15	15
Takashi Araya	2	5
Hiroyuki Ogawa	10	11

Held: represents the number of meetings held during the time the director held office.

Corporate Governance Committee matters were dealt with by the Full Board.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executives on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may seek the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market (see 'use of remuneration consultants' section below). The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2011, where the shareholders approved an aggregate remuneration of $90,867.

Executive remuneration
The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI') being achieved. KPI’s include profit contribution, customer satisfaction, leadership contribution and product management.

Long-term incentives ('LTI') include long service leave and share-based payments. The shareholders approved a performance rights plan at the 2015 AGM. Performance rights are awarded to executives over a period of up to three years based on long-term incentive measures, as well as continued employment. Long-term incentive measures include financial performance of the consolidated entity, increases in shareholder value relative to the entire market and an increase in shareholder value relative to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. Incentive payments are dependent on defined earnings before interest, tax, depreciation and amortisation ('EBITDA') targets being met.

Use of remuneration consultants
During the financial year ended 30 June 2018, the company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the company's 2017 Annual General Meeting ('AGM')
At the last AGM 100% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2017. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of A1 Investments & Resources Ltd:
- Charlie Nakamura - Managing Director and Chief Executive Officer
- Peter Ashcroft - Executive Chairperson
- Takashi Araya - Non-Executive Director (appointed on 6 April 2018)
- Hiroyuki Ogawa - Non-Executive Director (resigned on 6 April 2018)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2018	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Employee leave $	Equity-settled $	Total $
Executive Directors:							
Charlie Nakamura	91,667	-	14,559	10,091	-	-	116,317
Peter Ashcroft	91,667	-	-	8,078	-	-	99,745
	183,334	-	14,559	18,169	-	-	216,062

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2017	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Employee leave $	Equity-settled $	Total $
Executive Directors:							
Charlie Nakamura	66,667	-	3,300	6,633	-	-	76,600
Peter Ashcroft	66,667	-	-	6,633	-	-	73,300
	133,334	-	3,300	13,266	-	-	149,900

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2018	2017	2018	2017	2018	2017
Executive Directors:						
Charlie Nakamura	100%	100%	-	-	-	-
Peter Ashcroft	100%	100%	-	-	-	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	C Nakamura
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	1 June 2015
Term of agreement:	3 years
Details:	2 months' notice required to terminate. Entitled to 6 months gross salary.

Name:	P Ashcroft
Title:	Executive Chairperson
Agreement commenced:	1 June 2015
Term of agreement:	3 years
Details:	2 months' notice required to terminate. Entitled to 6 months gross salary.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

On 6 July 2018, the company resolved to extend the contracts of Charlie Nakamura and Peter Ashcroft for a further 3 years to 5 July 2021, subject to the receipt of satisfactory further funding from JB Advisory. The company further resolved the salary of Mr Nakamura would be $150,000 per annum and that of Mr Ashcroft would be $100,000 per annum, whilst noting that neither had received their full salary entitlement in the year to 30 June 2018. The company further resolved to review the salaries for the year beginning 1 July 2019, subject to the consolidated entity having funds to pay any increased review amount.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2018.

There were no options over ordinary shares granted to or vested in directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Fair value per right at grant date*
12/11/2015	30/09/2017	30/09/2017	$0.000
12/11/2015	30/09/2019	30/09/2019	$0.000

* The fair value of the performance rights granted during the year ended 30 June 2016 is nil.

Performance rights granted carry no dividend or voting rights.

Details of performance rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below:

Name	Grant date	Vesting and expiry date	Balance at start of year	Number of rights granted	Number of rights vested	Number of rights lapsed	Balance at end of year
Charlie Nakamura	12/11/2015	30/09/2017	100,000,000	-	-	(100,000,000)	-
Peter Ashcroft	12/11/2015	30/09/2017	100,000,000	-	-	(100,000,000)	-
Charlie Nakamura	12/11/2015	30/09/2019	100,000,000	-	-	-	100,000,000
Peter Ashcroft	12/11/2015	30/09/2019	100,000,000	-	-	-	100,000,000
			400,000,000	-	-	(200,000,000)	200,000,000

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Charlie Nakamura	140,593,862	-	126,287,500	(20,000,000)	246,881,362
Peter Ashcroft	-	-	120,000,000	-	120,000,000
	140,593,862	-	246,287,500	(20,000,000)	366,881,362

Performance rights holding
The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Charlie Nakamura	200,000,000	-	-	(100,000,000)	100,000,000
Peter Ashcroft	200,000,000	-	-	(100,000,000)	100,000,000
	400,000,000	-	-	(200,000,000)	200,000,000

Other transactions with key management personnel and their related parties
During the year ended 30 June 2018, the consolidated entity obtained a loan of $139,500 from the Director related entities. The loan had a 12 month term, incurred interest at 25% per annum and is unsecured. The loan incurred interest of $5,039 during the year ended 30 June 2018.

During the year ended 30 June 2018, the consolidated entity had revenue of $200,000 from a Director related entity, in respect of management fees. $220,000, inclusive of GST, was outstanding at 30 June 2018, however this balance was impaired by $201,000 at 30 June 2018. The net receivable from the Director related entity at 30 June 2018 was $19,000.

During the year ended 30 June 2017, the consolidated entity obtained a loan of $49,080 from the Director related entity. The loan had a 12 month term, incurred interest at 10% per annum and is unsecured. The loan incurred interest of $4,908 during the year ended 30 June 2017. The loan was repaid in full on 27 July 2017.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of A1 Investments & Resources Ltd under option outstanding at the date of this report.

Shares under performance rights
Unissued ordinary shares of A1 Investments & Resources Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
12/11/2015	30/09/2019	$0.0000	200,000,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of A1 Investments & Resources Ltd issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of A1 Investments & Resources Ltd issued on the exercise of performance rights during the year ended 30 June 2018 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Hall Chadwick Chartered Accountants and Business Advisors
There are no officers of the company who are former partners of Hall Chadwick Chartered Accountants and Business Advisors.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Hall Chadwick Chartered Accountants and Business Advisors continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Charlie Nakamura
Director

31 August 2018
Sydney

A1 INVESTMENTS & RESOURCES LTD ABN 44 109 330 949
AND CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF A1 INVESTMENTS & RESOURCES LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 31 August 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue from continuing operations	5	289,965	309,265
Expenses			
Raw materials and consumables used		(69,428)	(31,815)
Subcontracting expense		(53,241)	(201,957)
Employee benefits expense		(227,168)	(333,495)
Occupancy expenses		(102,094)	(35,615)
Depreciation expense		(26,472)	(15,251)
Impairment of goodwill		-	(137,994)
Consultancy and professional fees		(234,990)	(512,046)
Net foreign exchange losses		(45,698)	(6,073)
Travel expenses		(36,337)	(119,447)
Share registry and listing expenses		(63,958)	(35,600)
Impairment of receivables		(227,527)	(183,724)
Impairment of inventories		(47,223)	-
Other expenses		(84,992)	(80,073)
Finance costs		(148,545)	(24,918)
Loss before income tax expense from continuing operations		(1,077,708)	(1,408,743)
Income tax expense	7	-	-
Loss after income tax expense from continuing operations		(1,077,708)	(1,408,743)
Loss after income tax expense from discontinued operations	8	-	(398,194)
Loss after income tax expense for the year attributable to the owners of A1 Investments & Resources Ltd		(1,077,708)	(1,806,937)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of A1 Investments & Resources Ltd		(1,077,708)	(1,806,937)
Total comprehensive income for the year is attributable to:			
Continuing operations		(1,077,708)	(1,408,743)
Discontinued operations		-	(398,194)
		(1,077,708)	(1,806,937)
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	33	(0.010)	(0.013)
Diluted earnings per share	33	(0.010)	(0.013)
Earnings per share for loss from discontinued operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	33	-	(0.004)
Diluted earnings per share	33	-	(0.004)
Earnings per share for loss attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	33	(0.010)	(0.017)
Diluted earnings per share	33	(0.010)	(0.017)

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

Consolidated statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Assets			
Current assets			
Cash and cash equivalents	9	51,370	26,305
Trade and other receivables	10	35,014	40,422
Other	12	14,000	7,000
Total current assets		100,384	73,727
Non-current assets			
Property, plant and equipment	13	312,142	86,083
Total non-current assets		312,142	86,083
Total assets		412,526	159,810
Liabilities			
Current liabilities			
Trade and other payables	14	402,765	92,152
Borrowings	15	576,339	419,004
Total current liabilities		979,104	511,156
Non-current liabilities			
Borrowings	16	910,464	47,988
Total non-current liabilities		910,464	47,988
Total liabilities		1,889,568	559,144
Net liabilities		(1,477,042)	(399,334)
Equity			
Issued capital	17	30,378,956	30,378,956
Reserves	18	819,702	819,702
Accumulated losses		(32,675,700)	(31,597,992)
Total equity		(1,477,042)	(399,334)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2016	30,378,956	819,702	(29,791,055)	1,407,603
Loss after income tax expense for the year	-	-	(1,806,937)	(1,806,937)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,806,937)	(1,806,937)
Balance at 30 June 2017	30,378,956	819,702	(31,597,992)	(399,334)

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	30,378,956	819,702	(31,597,992)	(399,334)
Loss after income tax expense for the year	-	-	(1,077,708)	(1,077,708)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,077,708)	(1,077,708)
Balance at 30 June 2018	30,378,956	819,702	(32,675,700)	(1,477,042)

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

	Note	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		87,846	2,712,860
Payments to suppliers and employees (inclusive of GST)		(743,360)	(4,046,227)
		(655,514)	(1,333,367)
Interest received		-	19,043
Interest and other finance costs paid		(39,926)	(47,264)
Net cash used in operating activities	31	(695,440)	(1,361,588)
Cash flows from investing activities			
Payments for property, plant and equipment		(252,531)	(3,285,223)
Cash flow from disposal of business/subsidiary, net of cash disposed		-	(90,683)
Proceeds from disposal of property, plant and equipment		-	71,175
Net cash used in investing activities		(252,531)	(3,304,731)
Cash flows from financing activities			
Proceeds from borrowings		979,128	3,829,230
Proceeds from/(repayment of) leases		(6,092)	6,551
Net cash from financing activities		973,036	3,835,781
Net increase/(decrease) in cash and cash equivalents		25,065	(830,538)
Cash and cash equivalents at the beginning of the financial year		26,305	856,843
Cash and cash equivalents at the end of the financial year	9	51,370	26,305

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

Note 1. General information

The financial statements cover A1 Investments & Resources Ltd as a consolidated entity consisting of A1 Investments & Resources Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is A1 Investments & Resources Ltd's functional and presentation currency.

A1 Investments & Resources Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 606 / 37 Bligh Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

The consolidated entity has negative working capital as at 30 June 2018 where current liabilities exceed current assets by $878,720 (2017: current liabilities exceed current assets by $437,429). The consolidated entity made a loss after tax of $1,077,708 during the financial year (2017: loss of $1,806,937) and generated net operating cash outflows of $695,440 (2017: $1,361,588). The cash balance as at 30 June 2018 was $51,370 (30 June 2017: $26,305).

The directors recognise that without further cash the consolidated entity may not be able to meet its debts as and when they fall due. In assessing the appropriateness of the going concern concept the following factors have been taken into consideration by the Directors;

- the company raising sufficient working capital in its current capital raising program (see the ASX announcement dated 7 July 2018) to meet all outstanding current liabilities (except the loan from Koriyakawakyu Co., Ltd – see below) and to meet its on-going working capital requirements for the next 12 months. As at the date of signing this Report the company is continuing to raise further funds to a maximum amount of $1,200,000 and anticipates completing the full raising by the end of September 2018;
- A1 Investments Operations Pty Limited trading as an equal partner in the A1 Qualipac Agriculture joint venture will be cash positive and profitable by 30 June 2019 according to management projections and forecasts;
- the A1 Qualipac Agriculture joint venture will generate sufficient cash to pay all interest on the loans from Koriyakawakyu Co., Ltd and Plus JPS Pte Limited;
- despite the best efforts of the company, the loan from Koriyakawakyu Co. Ltd was not able to be extended out to 31 July 2019 as was previously indicated by representatives of Koriyakawakyu at the time of the sale of WIN A1 and this debt has therefore remained classified as a current liability. Despite this, Koriyakawakyu has indicated it has no immediate intention to call for repayment; and
- on 24 July 2017, the company entered into a loan agreement with Plus JPS Pte Limited for a working capital facility. This facility has been capped at a limit of US$500,000. The facility expires on 31 July 2020. To date the company has drawn down a sum of US$500,000 (AUD$676,498). Plus JPS Pte Limited has confirmed that the company is not in default and that all principal and interest under its loan is to be paid on 31 July 2020.

Note 2. Significant accounting policies (continued)

The directors are confident the above matters will generate sufficient cash for the consolidated entity to continue to trade in the ordinary course of business.

The financial statements have therefore been prepared on a going concern basis for the above reasons. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and available-for-sale financial assets.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of A1 Investments & Resources Ltd ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. A1 Investments & Resources Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. 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 entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial report is presented in Australian dollars, which is A1 Investments & Resources Ltd's functional and presentation currency.

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

Note 2. Significant accounting policies (continued)

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services
Rendering of services revenue is recognised at the time of invoicing which occurs as the service is provided.

Dividend revenue
Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Management fee income
Management fee income is recognised when it is received or when the right to receive payment is established.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
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 that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Note 2. Significant accounting policies (continued)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, 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
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories
Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Agricultural produce harvested from the group’s biological assets shall be measured at its fair value less costs to sell at the point of harvest. Any fair value gains or losses are recognised in the profit or loss.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Associates
Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	13% - 40%
Motor vehicles	17% - 25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Motor vehicles and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Impairment of non-financial assets
Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Note 2. Significant accounting policies (continued)

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of A1 Investments & Resources Ltd, 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 financial 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.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 2. Significant accounting policies (continued)

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018. It is not expected to significantly impact the financial statements on the basis that the main financial assets recognised represent cash and cash equivalent and trade receivables that do not carry a significant financing component and involve a single cash flow representing the repayment of principal, which in the case of trade receivables is the transaction price. Both asset classes will continue to be measured at face value. Other financial asset classes are not material to the consolidated entity. Financial liabilities of the consolidated entity are not impacted as the consolidated entity does not carry them at fair value.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018. It is not expected to significantly impact the financial statements on the basis that most of the consolidated entity's revenue is recognised at the time of transfer of units to customer which represents the satisfaction of the primary performance obligation.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

IASB revised Conceptual Framework for Financial Reporting

The revised Conceptual Framework has been issued by the International Accounting Standards Board ('IASB'), but the Australian equivalent has yet to be published. The revised framework is applicable for annual reporting periods beginning on or after 1 January 2020 and the application of the new definition and recognition criteria may result in future amendments to several accountings standards. Furthermore, entities who rely on the conceptual framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards may need to revisit such policies. The consolidated entity will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets
The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of property, plant and equipment
The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Joint arrangements
The consolidated entity holds a 50% interest in the A1 Qualipac Agriculture joint venture. The partnership agreements require unanimous consent from all parties for all relevant activities. The two partners own the assets of the partnership as tenants in common and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the consolidated entity recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 2.

Note 4. Operating segments

Identification of reportable operating segments
During the years ended 30 June 2018 and 30 June 2017, the consolidated entity was organised into three operating segments:
- General investment;
- Food*; and
- Tourism*.

* Part of the food segment and all of the tourism operating segment were disposed of during the year ended 30 June 2017.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments although the food segment comprises all food production businesses including retail, wholesale and primary industry production of food.

The CODM reviews EBITDA (earnings before interest, tax, depreciation, amortisation and other items which are determined to be outside of the control of the respective segments). EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Note 4. Operating segments (continued)

Types of products and services

The principal products and services of each of these operating segments are as follows:

General investment	investment operations focusing on diversified investment portfolios
Food	the production of food for sale from farms primarily in Queensland;
Tourism	the provision of tourism services for Japanese clients in Sydney, Australia

Operating segment information

Consolidated - 2018	General investment $	Food $	Tourism $	Total $
Revenue				
Sales to external customers	200,000	89,965	-	289,965
Total revenue	200,000	89,965	-	289,965
EBITDA	(708,705)	(193,986)	-	(902,691)
Depreciation and amortisation	(16,472)	(10,000)	-	(26,472)
Finance costs	(146,561)	(1,984)	-	(148,545)
Loss before income tax expense	(871,738)	(205,970)	-	(1,077,708)
Income tax expense				-
Loss after income tax expense				(1,077,708)
Assets				
Segment assets	496,299	279,961	-	776,260
Intersegment eliminations				(363,734)
Total assets				412,526
Liabilities				
Segment liabilities	1,601,863	651,439	-	2,253,302
Intersegment eliminations				(363,734)
Total liabilities				1,889,568

Note 4. Operating segments (continued)

Consolidated - 2017	General investment $	Food $	Tourism $	Total $
Revenue				
Sales to external customers	-	1,465,730	1,351,124	2,816,854
Interest	19,043	1,634	5	20,682
Other revenue	23,786	-	13,490	37,276
Total revenue	42,829	1,467,364	1,364,619	2,874,812
EBITDA	(2,122,966)	407,595	139,631	(1,575,740)
Depreciation and amortisation	(15,251)	(47,176)	(32,070)	(94,497)
Write off of assets	(137,994)	(140,000)	-	(277,994)
Impairment of assets	(183,724)	-	-	(183,724)
Profit/(loss) on disposal of discontinued operation	364,854	-	-	364,854
Interest revenue	19,043	1,634	5	20,682
Finance costs	(24,918)	(3,275)	(32,325)	(60,518)
Profit/(loss) before income tax expense	(2,100,956)	218,778	75,241	(1,806,937)
Income tax expense				-
Loss after income tax expense				(1,806,937)
Assets				
Segment assets	320,098	50,787	-	370,885
Intersegment eliminations				(211,075)
Total assets				159,810
Liabilities				
Segment liabilities	553,923	216,296	-	770,219
Intersegment eliminations				(211,075)
Total liabilities				559,144

Note 5. Revenue

	Consolidated 2018 $	2017 $
From continuing operations		
Sales revenue		
Sales of goods - fresh produce	78,694	266,436
Other revenue		
Management fees	200,000	-
Interest	-	19,043
Other revenue	11,271	23,786
	211,271	42,829
Revenue from continuing operations	289,965	309,265

Note 6. Expenses

	Consolidated 2018 $	2017 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	15,814	9,427
Motor vehicles	10,658	5,824
Total depreciation	26,472	15,251
Impairment		
Impairment of receivables	227,527	183,724
Finance costs		
Interest and finance charges paid/payable	148,545	24,918
Rental expense relating to operating leases		
Minimum lease payments	89,787	35,615
Employee benefits expense		
Defined contribution superannuation expense	20,683	23,845
Employee benefits expense	206,485	309,650
Total employee benefits expense	227,168	333,495

Note 7. Income tax expense

	Consolidated 2018 $	2017 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(1,077,708)	(1,408,743)
Loss before income tax expense from discontinued operations	-	(398,194)
	(1,077,708)	(1,806,937)
Tax at the statutory tax rate of 27.5%	(296,370)	(496,908)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of assets	75,556	-
	(220,814)	(496,908)
Current year tax losses not recognised	220,814	496,908
Income tax expense	-	-

As at 30 June 2018 unused tax losses for which no deferred tax asset has been recognised amounted to $13,631,636 (2017: $12,871,788). The potential tax benefit at 27.5% (2017: 27.5%) is $3,748,700 (2017: $3,539,742).

As at 30 June 2018 unused capital losses for which no deferred tax asset has been recognised amounted to $12,742,022 (2017: $12,742,022). The potential tax benefit at 27.5% (2017: 27.5%) is $3,504,056 (2017: $3,551,830).

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Discontinued operations

Description

The discontinued operations during the year ended 30 June 2017 represents:

- Disposal of the Ikkyu Ramen business for total consideration of $19,000 on 28 January 2017;
- Disposal of 100% of the share capital in Tournet Oceania Pty Ltd for total consideration of $10,000 on 31 March 2017; and
- Disposal of 100% of the share capital in WIN Properties Australia Pty Limited (formerly WIN A1 Pty Limited) for total consideration of $1 on 27 June 2017.

Financial performance information

	Consolidated	
	2018 $	2017 $
Rendering of services - tourism	-	1,351,124
Sales of food and beverages	-	1,199,295
Interest	-	1,638
Other income	-	13,490
Total revenue	-	2,565,547
Raw materials and consumables used	-	(724,048)
Subcontracting expense	-	(454,288)
Employee benefits expense	-	(1,063,688)
Professional and consultancy fees	-	(191,894)
Occupancy expenses	-	(186,985)
Depreciation expense	-	(79,246)
Write off of goodwill	-	(140,000)
Other expenses	-	(452,846)
Finance costs	-	(35,600)
Total expenses	-	(3,328,595)
Loss before income tax expense	-	(763,048)
Income tax expense	-	-
Loss after income tax expense	-	(763,048)
Gain on disposal of Tournet Oceania Pty Ltd before income tax	-	121,574
Gain on disposal of WIN A1 Pty Limited	-	232,529
Gain on disposal of Ikkyu Ramen business before income tax	-	10,751
Income tax expense	-	-
Gain on disposal after income tax expense	-	364,854
Loss after income tax expense from discontinued operations	-	(398,194)

Note 8. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated	
	2018 $	2017 $
Cash and cash equivalents	-	119,684
Trade and other receivables	-	175,415
Property, plant and equipment	-	3,527,620
Total assets	-	3,822,719
Trade and other payables	-	443,469
Borrowings	-	3,715,103
Total liabilities	-	4,158,572
Net liabilities	-	(335,853)

Details of the disposal

	Consolidated	
	2018 $	2017 $
Total sale consideration	-	29,001
Carrying amount of net liabilities disposed	-	335,853
Gain on disposal before income tax	-	364,854
Gain on disposal after income tax	-	364,854

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	2018 $	2017 $
Cash and cash equivalents	51,370	26,305

Note 10. Current assets - trade and other receivables

	Consolidated	
	2018 $	2017 $
Trade receivables	225,500	5,000
Less: Provision for impairment of receivables	(201,000)	-
	24,500	5,000
Receivables - joint operation	36,747	35,128
Receivable from Tournet Oceania Pty Limited	-	183,724
Less: Provision for impairment of receivables	(26,527)	(183,724)
	10,220	35,128
Other receivables	294	294
	35,014	40,422

Note 10. Current assets - trade and other receivables (continued)

Impairment of receivables
The consolidated entity has recognised a loss of $227,527 (2017: $183,724) in profit or loss in respect of impairment of receivables for the year ended 30 June 2018.

Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2018	2017
	$	$
Opening balance	183,724	-
Additional provisions recognised	227,527	183,724
Receivables written off during the year as uncollectable	(183,724)	-
Closing balance	227,527	183,724

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $35,014 as at 30 June 2018 ($nil as at 30 June 2017).

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2018	2017
	$	$
0 to 3 months overdue	35,014	-

Note 11. Current assets - inventories

	Consolidated	
	2018	2017
	$	$
Finished goods - at cost	47,223	-
Less: Provision for impairment	(47,223)	-
	-	-

Note 12. Current assets - other

	Consolidated	
	2018	2017
	$	$
Deposits	14,000	7,000

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2018 $	2017 $
Plant and equipment - at cost	286,765	44,648
Less: Accumulated depreciation	(28,527)	(23,127)
	258,238	21,521
Motor vehicles - at cost	71,322	71,322
Less: Accumulated depreciation	(17,418)	(6,760)
	53,904	64,562
	312,142	86,083

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land $	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2016	-	6,747	165,375	427,142	599,264
Additions	3,182,654	-	31,247	71,322	3,285,223
Disposals	(3,182,654)	(5,386)	(99,923)	(415,944)	(3,703,907)
Depreciation expense	-	(1,361)	(75,178)	(17,958)	(94,497)
Balance at 30 June 2017	-	-	21,521	64,562	86,083
Additions	-	-	252,531	-	252,531
Depreciation expense	-	-	(15,814)	(10,658)	(26,472)
Balance at 30 June 2018	-	-	258,238	53,904	312,142

Note 14. Current liabilities - trade and other payables

	Consolidated 2018 $	2017 $
Trade payables	116,641	19,283
Other payables and accruals	243,014	72,869
Payables - joint operation	43,110	-
	402,765	92,152

Refer to note 20 for further information on financial instruments.

Note 15. Current liabilities - borrowings

	Consolidated	
	2018	**2017**
	$	**$**
Loan - chattel mortgage	44,742	-
Loan from Director related entities	139,500	49,080
Loan - Koriyakawakyu	384,254	363,254
Lease liability	7,843	6,670
	576,339	419,004

Refer to note 16 for further information on assets pledged as security and financing arrangements.

Refer to note 20 for further information on financial instruments.

Chattel Mortgage
The loan is secured over the mortaged assets. Interest is charged at 4.89% per annum and the loan expires on 8 April 2023.

Loan from Director related entity
The loan from Director related entities, has a 12 month term (2017: 12 months), incurred interest at 25% per annum (2017: 10% per annum) and is unsecured.

Loan - Koriyakawakyu
The loan from Koriyakawakyu is repayable from 31 January 2017 at the discretion of the lender. The loan is unsecured. Interest is charged at 6% (2017: 6% per annum). Koriyakawakyu has indicated it has no immediate intention to call for repayment.

Lease liability
The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position and revert to the lessor in the event of default.

Note 16. Non-current liabilities - borrowings

	Consolidated	
	2018	**2017**
	$	**$**
Loan - Chattel Mortgage	193,243	-
Loan - Plus JPS Pte Limited	676,498	-
Lease liability	40,723	47,988
	910,464	47,988

Refer to note 20 for further information on financial instruments.

Loan - Plus JPS Pte Limited
On 24 July 2017, the consolidated entity entered into a loan agreement with Plus JPS Pte Limited. Total available facilities are US$500,000, of which this balance was drawn down in full as at 30 June 2018. The loan is repayable on 31 July 2020 and is unsecured. Interest is charged at 17% per annum. Unpaid interest is accrued in the line item 'Other payables and accruals' in current liabilities. Plus JPS Pte Limited has confirmed that the company is not in default and that all principal and interest under its loan is to be paid on 31 July 2020.

Note 16. Non-current liabilities - borrowings (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2018 $	Consolidated 2017 $
Loan - Chattel Mortgage	237,985	-
Lease liability	48,566	54,658
	286,551	54,658

Assets pledged as security
The chattel mortgage is secured over the mortaged assets (farm equipment) with a carrying value of $243,556 at 30 June 2018.

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default. The lease assets pledged as security have a carrying value of $53,904 at 30 June 2018.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2018 $	Consolidated 2017 $
Total facilities		
Chattel mortgage	237,985	-
Loan - Plus JPS Pte Limited	676,498	-
Lease liabilities	48,566	54,658
	963,049	54,658
Used at the reporting date		
Chattel mortgage	237,985	-
Loan - Plus JPS Pte Limited	676,498	-
Lease liabilities	48,566	54,658
	963,049	54,658
Unused at the reporting date		
Chattel mortgage	-	-
Loan - Plus JPS Pte Limited	-	-
Lease liabilities	-	-
	-	-

Note 17. Equity - issued capital

	Consolidated 2018 Shares	Consolidated 2017 Shares	Consolidated 2018 $	Consolidated 2017 $
Ordinary shares - fully paid	10,807,266,550	10,807,266,550	30,378,956	30,378,956

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 17. Equity - issued capital (continued)

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business, company or general equities was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity actively pursue additional investments to grow its investment portfolio.

The capital risk management policy remains unchanged from the 30 June 2017 Annual Report.

Note 18. Equity - reserves

	Consolidated	
	2018 $	2017 $
Other reserves	819,702	819,702

Other reserves
The reserve is used to recognise increments and decrements in the fair value of non-current assets.

Note 19. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 20. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity does not have a hedging policy.

Note 20. Financial instruments (continued)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2018 $**	**2017 $**	**2018 $**	**2017 $**
US dollars	435	657	676,498	-
Japanese yen	229	3	-	-
	664	660	676,498	-

The sensitivity analysis for foreign exchange risk of the above financial assets and financial liabilities is as follows:

	AUD strengthened			AUD weakened		
Consolidated - 2018	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
US dollar	5%	32,193	32,193	-	(35,582)	(35,582)
Japanese Yen	5%	(11)	(11)	-	12	12
		32,182	32,182		(35,570)	(35,570)

	AUD strengthened			AUD weakened		
Consolidated - 2017	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
US dollar	5%	35	(35)	-	(35)	35
Japanese Yen	5%	-	-	-	-	-
		35	(35)		(35)	35

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations. The actual foreign exchange loss for the year ended 30 June 2018 was $45,698 (2017: foreign exchange loss of $6,073).

Price risk
As at 30 June 2018 the consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the consolidated entity to interest rate risk. As at the reporting date, the consolidated entity's borrowings are issued at fixed interest rates therefore the consolidated entity has no significant exposure to interest rate risk.

As at the reporting date, the consolidated entity had the following fixed rate borrowings outstanding:

	2018		2017	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Chattel mortgage	4.89%	237,986	-	-
Loan - Plus JPS Pte Limited	17.00%	676,498	-	-
Loan - Koriyakawakyu	6.00%	384,254	6.00%	363,254
Loans from Director related entities	25.00%	139,500	10.00%	49,080
Lease liabilities	8.56%	48,566	7.30%	54,658
Net exposure to cash flow interest rate risk		1,486,804		466,992

Note 20. Financial instruments (continued)

An analysis by remaining contractual maturities is shown in 'remaining contractual maturities' below.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with approved Board policy. Such policy required that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The cash and cash equivalents are held with the consolidated entity's main financial institutions.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	116,641	-	-	-	116,641
Other payables	-	139,433	-	-	-	139,433
Payables - joint operation	-	43,110	-	-	-	43,110
Interest-bearing - fixed rate						
Chattel mortgage	4.89%	55,386	55,386	156,927	-	267,699
Lease liability	8.56%	12,018	11,093	35,886	-	58,997
Loan from Director related entities	25.00%	139,500	-	-	-	139,500
Loan - Koriyakawakyu	6.00%	384,254	-	-	-	384,254
Loan - Plus JPS Pte Limited - principal	17.00%	-	-	676,498	-	676,498
Loan - Plus JPS Pte Limited - interest	-	-	-	343,174	-	343,174
Total non-derivatives		890,342	66,479	1,212,485	-	2,169,306

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	19,283	-	-	-	19,283
Other payables	-	72,869	-	-	-	72,869
Interest-bearing - fixed rate						
Lease liability	7.30%	11,094	11,094	47,110	-	69,298
Loan from Director related entities	10.00%	49,080	-	-	-	49,080
Loan - Koriyakawakyu	6.00%	363,254	-	-	-	363,254
Total non-derivatives		515,580	11,094	47,110	-	573,784

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 20. Financial instruments (continued)

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 21. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 22. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2018	**2017**
	$	**$**
Short-term employee benefits	197,893	136,634
Post-employment benefits	18,169	13,266
	216,062	149,900

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Hall Chadwick Chartered Accountants and Business Advisors, the auditor of the company:

	Consolidated	
	2018	**2017**
	$	**$**
Audit services - Hall Chadwick Chartered Accountants and Business Advisors		
Audit or review of the financial statements	35,000	35,288

Note 24. Contingent liabilities

The consolidated entity does not have any contingent liabilities at 30 June 2018 and 30 June 2017.

Note 25. Commitments

	Consolidated 2018 $	Consolidated 2017 $
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	12,018	11,093
One to five years	46,979	58,204
Total commitment	58,997	69,297
Less: Future finance charges	(10,431)	(14,639)
Net commitment recognised as liabilities	48,566	54,658
Representing:		
Lease liability - current (note 15)	7,843	6,670
Lease liability - non-current (note 16)	40,723	47,988
	48,566	54,658

Note 26. Related party transactions

Parent entity
A1 Investments & Resources Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

Associates
Interests in associates are set out in note 29.

Joint operations
Interests in joint operations are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2018 $	Consolidated 2017 $
Sale of goods and services:		
Management fee revenue from director related entity	200,000	-
Payment for other expenses:		
Interest paid/payable to Director related entity	5,039	4,908

Note 26. Related party transactions (continued)

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2018 $	2017 $
Current receivables:		
Trade receivable from Director related entity*	220,000	-

* The trade receivable from the Director related entity has been impaired by $201,000 at 30 June 2018. The net amount included in trade and other receivables at 30 June 2018 is $19,000.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2018 $	2017 $
Current borrowings:		
Loan from Director related entities	139,500	49,080

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2018 $	2017 $
Loss after income tax	(871,738)	(2,052,964)
Total comprehensive income	(871,738)	(2,052,964)

Note 27. Parent entity information (continued)

Statement of financial position

	Parent 2018 $	Parent 2017 $
Total current assets	432,966	242,171
Total assets	496,299	320,100
Total current liabilities	884,642	505,937
Total liabilities	1,601,863	553,925
Equity		
Issued capital	30,378,956	30,378,956
Other reserves	819,702	819,702
Accumulated losses	(32,304,222)	(31,432,483)
Total equity	(1,105,564)	(233,825)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2018 and 30 June 2017.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
China Century Capital (HK) Limited	Hong Kong	100.00%	100.00%
A1 Investments Operations Pty Limited (formerly WIN A1 Food Platform Services Pty Limited)	Australia	100.00%	100.00%

Note 29. Interests in associates

Interests in associates are accounted for using the equity method of accounting are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	2017 %
COTY Guam LLC	Property development in Guam	50.00%	50.00%

For the purpose of this financial report the interest in the associate company is not material.

Note 30. Interests in joint operations

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	2017 %
A1 Qualipac Joint Venture	Australia	50.00%	50.00%

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2018 $	2017 $
Loss after income tax expense for the year	(1,077,708)	(1,806,937)
Adjustments for:		
Depreciation	26,472	94,497
Net loss/(gain) on disposal of property, plant and equipment	-	105,112
Impairment of goodwill	-	277,994
Impairment of inventories	47,223	-
Impairment of receivables	227,527	183,724
Net gain on disposal of subsidiaries/businesses	-	(364,854)
Foreign exchange differences on borrowings	46,775	-
Non-cash finance costs	108,619	13,254
Change in operating assets and liabilities:		
Increase in trade and other receivables	(229,119)	(144,901)
Decrease/(increase) in inventories	(47,223)	145,345
Increase in trade and other payables	201,994	135,178
Net cash used in operating activities	(695,440)	(1,361,588)

Note 32. Changes in liabilities arising from financing activities

Consolidated	Loan - chattel mortgage $	Loan from Director related entities $	Loan - Koriyak-awakyu $	Loan - Plus JPS Pte Limited $	Other - loans $	Lease liability $	Total $
Balance at 1 July 2016	-	-	-	-	-	333,060	333,060
Net cash from financing activities	-	49,080	350,000	-	3,430,150	6,551	3,835,781
Changes through discontinued operations (note 8)	-	-	-	-	(3,430,150)	(284,953)	(3,715,103)
Other changes	-	-	13,254	-	-	-	13,254
Balance at 30 June 2017	-	49,080	363,254	-	-	54,658	466,992
Net cash from/(used in) financing activities	237,985	90,420	21,000	629,723	-	(6,092)	973,036
Exchange differences	-	-	-	46,775	-	-	46,775
Balance at 30 June 2018	237,985	139,500	384,254	676,498	-	48,566	1,486,803

Note 33. Earnings per share

	Consolidated 2018 $	2017 $
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	(1,077,708)	(1,408,743)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	10,807,266,550	10,807,266,550
Weighted average number of ordinary shares used in calculating diluted earnings per share	10,807,266,550	10,807,266,550
	Cents	**Cents**
Basic earnings per share	(0.010)	(0.013)
Diluted earnings per share	(0.010)	(0.013)

	Consolidated 2018 $	2017 $
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	-	(398,194)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	10,807,266,550	10,807,266,550
Weighted average number of ordinary shares used in calculating diluted earnings per share	10,807,266,550	10,807,266,550
	Cents	**Cents**
Basic earnings per share	-	(0.004)
Diluted earnings per share	-	(0.004)

Note 33. Earnings per share (continued)

	Consolidated	
	2018	2017
	$	$
Earnings per share for loss		
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	(1,077,708)	(1,806,937)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	10,807,266,550	10,807,266,550
Weighted average number of ordinary shares used in calculating diluted earnings per share	10,807,266,550	10,807,266,550
	Cents	**Cents**
Basic earnings per share	(0.010)	(0.017)
Diluted earnings per share	(0.010)	(0.017)

Note 34. Events after the reporting period

On 6 July 2018, the company announced that it signed a mandate with JB Advisory Pty Limited ('the advisor') whereby the advisor will assist the company with its capital requirements including an initial raise of up to $1,200,000 by way of placements from professional or sophisticated investors.

The term of the agreement with the advisor is 24 months (with a further 12 months at the option of the advisor). The proposed issue price of the shares in the initial raise is $0.0004 per share.

On 6 July 2018 the company announced the consolidated entity intends to seek new investors in order to expand the Qualipac joint venture into southern Australia. The consolidated entity has a reasonable expectation that if adequate new funding is secured that the new southern Australia Qualipac joint venture will generate reasonable revenue in the 2018-19 year and be profitable in the 2019-20 year.

On 9 July 2018, the company announced that it had entered into an agreement with Qualipac Farming to extend the current Queensland joint venture to southern Australia subject to the company raising additional capital as detailed above.

The objective of the expansion is to lower the overall farming risks of the joint venture by better managing the weather risks of farming in Australia.

On 16 July 2018 the company announced it had entered a Memorandum, with a director of Bundybunna Aboriginal Corporation (in liquidation) to enter a 10 year lease with two 5 year options for an 11,000 hectare property at Mullewa in central Western Australia. The intent of the company is to expand the consolidated entity’s agricultural operations Australia wide and to create an Australian wide business.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Charlie Nakamura
Director

31 August 2018
Sydney

A1 INVESTMENTS & RESOURCES LTD ABN 44 109 330 949
AND CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A1 INVESTMENTS & RESOURCES LTD AND CONTROLLED ENTITIES

Opinion

We have audited the financial report of A1 Investments & Resources Ltd and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss, and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

a. the accompanying financial report of A1 Investments & Resources Ltd and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
   - (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
   - (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss after tax of $1,077,708 during the year ended 30 June 2018 and, as of that date, the Group's current liabilities exceeded its current assets by $878,720. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2018. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Existence and Recoverability of Management Fee Refer to Note 5 "Revenue"	
The Group recognised management fee amounting to $200,000 for the 2018 financial year. This income is one of the most significant account balances in the consolidated statement of profit or loss and other comprehensive income. We focussed on this matter due to the size and nature of the management fee. The recoverability of the management fee also entailed a degree of judgement.	Our procedures included, amongst others: • Making detailed enquiries of management regarding the nature of the management fee, the associated terms and conditions and criteria for derivation and recognition of such revenue. • Vouched the management fee to supporting documentation including but not limited to invoices and bank statements; • Obtained direct confirmation and acknowledgement of the management fee from the customer; • Making an assessment of the recoverability of the management fee.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in pages 6 to 10 of the directors' report for the year ended 30 June 2018. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's Opinion

In our opinion, the remuneration report of A1 Investments & Resources Limited, for the year ended 30 June 2018, complies with s 300A of the *Corporations Act 2001*.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney, NSW 2000

DREW TOWNSEND
Partner
Dated: 31 August 2018

The shareholder information set out below was applicable as at 23 August 2018

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of rights over ordinary shares
1 to 1,000	37	-
1,001 to 5,000	48	-
5,001 to 10,000	262	-
10,001 to 100,000	443	-
100,001 and over	341	2
	1,131	2
Holding less than a marketable parcel	865	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
WIN Singapore Holdings Pte Limited	4,850,000,000	44.88
King Fame Group Limited	2,125,000,000	19.66
Marvel Green Power Energy Pte Ltd	500,000,000	4.63
Super Sorghum Asia Holdings Pte Ltd	250,000,000	2.31
Citicorp Nominees Pty Limited	200,899,984	1.86
Mr Bao-Guey Lin	199,394,167	1.85
Yamagen Securities Co Ltd	179,397,000	1.66
Mr Charlie Nakamura	126,287,500	1.17
Mr Peter John Ashcroft	120,000,000	1.11
Jinji Resources Ltd	100,000,000	0.93
Mr Milton Yannis	93,769,674	0.87
Ms Monica Ting Chang	79,244,445	0.73
Genesis Charitable Foundation (Genesis Life Foundation A/C)	72,222,222	0.67
Herapaki Pty Ltd	66,666,667	0.62
Ms Nikki Qian	66,666,667	0.62
Minatek Pty Ltd	66,111,111	0.61
Mr Chun-Fu Chen	64,712,917	0.60
Daisukei Kato	60,000,000	0.56
Mr Anchia Hung and Ms Su Fen Chang (Winko Super Fund A/C)	59,600,000	0.55
Mr Pin Hsun Hsiang and Mrs Joanna Cun Jie Shi (Joanna & Pin Super Fund A/C)	55,555,556	0.51
	9,335,527,910	86.40

Unquoted equity securities

	Number on issue	Number of holders
Performance rights	200,000,000	2

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
WIN Singapore Holdings Pte Limited	4,850,000,000	44.88
King Fame Group Limited	2,125,000,000	19.66

	Performance rights over ordinary shares	
	Number held	% of total rights issued
Charlie Nakamura	100,000,000	50.00
Peter Ashcroft	100,000,000	50.00

Voting rights

The voting rights attached to ordinary shares and performance rights are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance rights

There are no voting rights attached to the performance rights.

There are no other classes of equity securities.