

1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the year ended 30 June 2016
Previous period:	For the year ended 30 June 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	10655.7% to	5,522,389
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	down	48.5% to	(770,903)
Loss for the year attributable to the owners of A1 Investments & Resources Ltd	down	48.5% to	(770,903)

Revenue from ordinary activities comprises of revenue of \$3,078,463 from continuing operations and revenue of \$2,443,926 from discontinued operations.

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 and non-controlling interest amounted to \$770,903 (30 June 2015: \$1,497,212).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.01	0.02

4. Control gained over entities

Name of entities (or group of entities)	Tournet Oceania Pty Limited, Great Voyage Co. Ltd. and A1 Investment Japan Co. Ltd
Date control gained	1 July 2015, 11 September 2015, 11 September 2015

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	24,917
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Name of entities (or group of entities)	A1 Investment Japan Co. Ltd and Great Voyage Co. Ltd
Date control lost	8 June 2016

\$

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material) 52,164

Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material) -

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

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
COTY Guam LLC	50.00%	50.00%	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
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 are in the process of being audited and an unqualified opinion is expected to be issued.

11. Attachments

Details of attachments (if any):

The Preliminary financial report of A1 Investments & Resources Ltd for the year ended 30 June 2016 is attached.

12. Signed

Signed 

Date: 31 August 2016

Charlie Nakamura
Director
Sydney

A1 Investments & Resources Ltd

ABN 44 109 330 949

Preliminary financial report - 30 June 2016

A1 Investments & Resources Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016



		Consolidated	
	Note	2016	2015
		\$	\$
Revenue from continuing operations	2	3,078,463	14,941
Investment and other income	3	640,235	153,056
Expenses			
Raw materials and consumables used		(896,490)	-
Subcontracting expense		(562,082)	-
Employee benefits expense		(1,808,097)	(350,573)
Depreciation expense		(63,811)	(2,809)
Consultancy and professional fees		(434,299)	(491,355)
Foreign exchange losses		-	(2,348)
Share registry and listing expenses		(47,160)	(45,558)
Impairment of investment in associate		(1,938)	-
Write off of receivables		-	(121,678)
Net loss on disposal of financial assets through profit or loss		(22,471)	(50,835)
Other expenses		(616,262)	(180,345)
Finance costs		(38,182)	(74,770)
Loss before income tax expense from continuing operations		(772,094)	(1,152,274)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(772,094)	(1,152,274)
Profit/(loss) after income tax expense from discontinued operations	4	1,191	(344,104)
Loss after income tax expense for the year		(770,903)	(1,496,378)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on de-recognition of available-for-sale financial assets		(616,536)	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of available-for-sale financial assets, net of tax		-	333,018
De-recognition of foreign currency translation reserve		-	5,213
Other comprehensive income for the year, net of tax		(616,536)	338,231
Total comprehensive income for the year		<u>(1,387,439)</u>	<u>(1,158,147)</u>
Loss for the year is attributable to:			
Non-controlling interest		-	834
Owners of A1 Investments & Resources Ltd	16	(770,903)	(1,497,212)
		<u>(770,903)</u>	<u>(1,496,378)</u>

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

A1 Investments & Resources Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016



	Note	Consolidated	
		2016	2015
		\$	\$
Total comprehensive income for the year is attributable to:			
Continuing operations		-	-
Discontinued operations		-	834
Non-controlling interest		-	834
Continuing operations		(1,388,630)	(814,043)
Discontinued operations		1,191	(344,938)
Owners of A1 Investments & Resources Ltd		(1,387,439)	(1,158,981)
		<u>(1,387,439)</u>	<u>(1,158,147)</u>
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	19	(0.007)	(0.039)
Diluted earnings per share	19	(0.007)	(0.039)
Earnings per share for profit/(loss) from discontinued operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	19	-	(0.012)
Diluted earnings per share	19	-	(0.012)
Earnings per share for loss attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	19	(0.007)	(0.050)
Diluted earnings per share	19	(0.007)	(0.050)

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

	Note	Consolidated 2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	5	856,843	1,069,747
Trade and other receivables		256,202	150,000
Inventories		145,345	-
Financial assets at fair value through profit or loss	6	-	140,000
Available-for-sale financial assets	7	-	905,068
Other		5,458	-
Total current assets		1,263,848	2,264,815
Non-current assets			
Property, plant and equipment	8	599,264	9,304
Intangibles	9	277,994	-
Other receivables	10	-	1,117,721
Investments accounted for using the equity method		-	1,938
Total non-current assets		877,258	1,128,963
Total assets		2,141,106	3,393,778
Liabilities			
Current liabilities			
Trade and other payables	11	400,443	948,736
Borrowings	12	79,874	60,000
Total current liabilities		480,317	1,008,736
Non-current liabilities			
Borrowings	13	253,186	-
Total non-current liabilities		253,186	-
Total liabilities		733,503	1,008,736
Net assets		1,407,603	2,385,042
Equity			
Issued capital	14	30,378,956	29,968,956
Reserves	15	819,702	1,436,238
Accumulated losses	16	(29,791,055)	(29,020,152)
Total equity		1,407,603	2,385,042

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

A1 Investments & Resources Ltd
Statement of changes in equity
For the year ended 30 June 2016



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2014	24,902,072	1,098,007	(27,522,940)	(834)	(1,523,695)
Profit/(loss) after income tax expense for the year	-	-	(1,497,212)	834	(1,496,378)
Other comprehensive income for the year, net of tax	-	338,231	-	-	338,231
Total comprehensive income for the year	-	338,231	(1,497,212)	834	(1,158,147)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 14)	5,066,884	-	-	-	5,066,884
Balance at 30 June 2015	<u>29,968,956</u>	<u>1,436,238</u>	<u>(29,020,152)</u>	<u>-</u>	<u>2,385,042</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2015	29,968,956	1,436,238	(29,020,152)	-	2,385,042
Loss after income tax expense for the year	-	-	(770,903)	-	(770,903)
Other comprehensive income for the year, net of tax	-	(616,536)	-	-	(616,536)
Total comprehensive income for the year	-	(616,536)	(770,903)	-	(1,387,439)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 14)	410,000	-	-	-	410,000
Balance at 30 June 2016	<u>30,378,956</u>	<u>819,702</u>	<u>(29,791,055)</u>	<u>-</u>	<u>1,407,603</u>

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

	Note	Consolidated 2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,513,847	5,538
Payments to suppliers and employees (inclusive of GST)		(5,364,776)	(1,203,955)
		(850,929)	(1,198,417)
Interest received		34,526	6,266
Interest and other finance costs paid		(76,089)	(78,133)
Income taxes paid		(46,568)	-
Net cash used in operating activities		(939,060)	(1,270,284)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	18	(350,876)	-
Payments for investments		-	(1,938)
Payments for property, plant and equipment		(286,708)	(9,208)
Payment of other loans		-	(1,267,721)
Proceeds from sale of investments		117,529	167,103
Proceeds from disposal of business		12,335	10,000
Proceeds from disposal of property, plant and equipment		9,091	23,444
Proceeds from release of security deposits		-	450
Net cash used in investing activities		(498,629)	(1,077,870)
Cash flows from financing activities			
Proceeds from issue of shares	14	200,000	2,673,500
Proceeds/(repayment) of borrowings		1,057,721	537,544
Repayment of leases		(32,936)	-
Net cash from financing activities		1,224,785	3,211,044
Net increase/(decrease) in cash and cash equivalents		(212,904)	862,890
Cash and cash equivalents at the beginning of the financial year		1,069,747	206,857
Cash and cash equivalents at the end of the financial year	5	<u>856,843</u>	<u>1,069,747</u>

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

Note 1. Operating segments

Identification of reportable operating segments

The consolidate entity is organised into four operating segments:

- General investment;
- Food;
- Tourism; and
- Advertising.

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.

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

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 operation of a commercial kitchen and restaurants predominantly in Sydney, Australia
Tourism	the provision of tourism services for Japanese clients in Sydney, Australia
Advertising *	the provision of advertising services predominantly in Japan

*The advertising operating segment was disposed of during the year. Refer to note 4 for details of the disposal.

Major customers

No single customer contributed 10% or more to the Group's external revenue during the half years ended 30 June 2016 and 30 June 2015

Operating segment information

	General investment \$	Food \$	Tourism \$	Advertising \$	Total \$
Consolidated - 2016					
Revenue					
Sales to external customers	-	1,510,657	1,488,342	2,443,915	5,442,914
Interest	34,521	1	4	11	34,537
Other revenue	42,275	2,152	511	-	44,938
Total revenue	<u>76,796</u>	<u>1,512,810</u>	<u>1,488,857</u>	<u>2,443,926</u>	<u>5,522,389</u>
EBITDA	(369,451)	(365,116)	29,940	90,061	(614,566)
Depreciation and amortisation	(8,626)	(18,936)	(36,249)	-	(63,811)
Profit on disposal of discontinued operation	1,191	-	-	17,051	18,242
Interest revenue	34,521	1	4	11	34,537
Finance costs	(16,999)	(241)	(20,942)	(37,907)	(76,089)
Profit/(loss) before income tax expense	<u>(359,364)</u>	<u>(384,292)</u>	<u>(27,247)</u>	<u>69,216</u>	<u>(701,687)</u>
Income tax expense					(69,216)
Loss after income tax expense					<u>(770,903)</u>
Assets					
Segment assets	1,868,032	704,703	610,644	-	3,183,379
Intersegment eliminations					(1,042,273)
Total assets					<u>2,141,106</u>
Liabilities					
Segment liabilities	48,892	1,088,991	685,884	-	1,823,767
Intersegment eliminations					(1,090,264)
Total liabilities					<u>733,503</u>

Note 1. Operating segments (continued)

Geographical information

	Sales to external customers		Geographical non-current assets	
	2016	2015	2016	2015
	\$	\$	\$	\$
Australia	3,106,062	-	864,274	1,128,963
Japan	2,443,915	-	-	-
	<u>5,549,977</u>	<u>-</u>	<u>864,274</u>	<u>1,128,963</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post employment benefits assets and rights under insurance contracts.

Revenue by geographical area

During the year ended 30 June 2015, the consolidated entity operated in one segment, being an investment company focusing in projects in Australia. As a result of this, the operating segment information for the comparative periods is as disclosed in the statements and notes to the financial statements throughout the report.

Note 2. Revenue

	Consolidated	
	2016	2015
	\$	\$
From continuing operations		
<i>Sales revenue</i>		
Sales of goods - food and beverage	1,510,657	-
Rendering of services - tourism	1,488,342	-
	<u>2,998,999</u>	<u>-</u>
<i>Other revenue</i>		
Research fees	38,000	-
Interest	34,526	14,941
Other revenue	6,938	-
	<u>79,464</u>	<u>14,941</u>
Revenue from continuing operations	<u>3,078,463</u>	<u>14,941</u>

Note 3. Investment and other income

	Consolidated	
	2016	2015
	\$	\$
Net foreign exchange gain	14,608	-
Net gain on financial assets through profit or loss	-	153,056
Net gain on disposal of property, plant and equipment	9,091	-
Net gain on disposal of investments	616,536	-
Investment and other income	<u>640,235</u>	<u>153,056</u>

Note 4. Discontinued operations

Description

The discontinued operations during the year ended 30 June 2016 represents the disposal of A1 Investment Japan Co. Ltd and its controlled entities (collectively 'A1 Japan'). On 8 June 2016 the consolidated entity disposed of its entire investment in A1 Japan for total consideration of \$12,335 (JPY1,000,000). A1 Japan is a general investment company that consists of A1 Investments Japan Co. Ltd and Great Voyage Co. Ltd. A1 Japan was incorporated during the year ended 30 June 2016 and it acquired Great Voyage Co. Ltd. On 11 September 2015 (refer to note 18 for details of the acquisition).

The discontinued operations during the year ended 30 June 2015 represents the disposal of Jinji Resources Pty Limited ('Jinji Resources'). On 24 September 2014 the consolidated entity disposed of its entire investment in Jinji Resources for total consideration of \$10,000. Jinji Resources is a general investment company that consists of Jinji Resources Pty Limited and A1IR Holdings Pte. Ltd.

Financial performance information

	Consolidated	
	2016	2015
	\$	\$
Rendering of services - advertising	2,443,915	-
Net gain on financial assets through profit or loss	-	30,862
Interest	11	3
Other revenue	-	5,538
Total revenue	<u>2,443,926</u>	<u>36,403</u>
Cost of sales	(2,241,864)	-
Employee benefits expense	-	(7,092)
Net loss on disposal of investment	(4,106)	(26,763)
Commission fees	(90,458)	-
Other expenses	(17,426)	(4,709)
Finance costs	(37,907)	(3,363)
Total expenses	<u>(2,391,761)</u>	<u>(41,927)</u>
Profit/(loss) before income tax expense	52,165	(5,524)
Income tax expense	<u>(69,216)</u>	<u>-</u>
Loss after income tax expense	<u>(17,051)</u>	<u>(5,524)</u>
Gain/(loss) on disposal before income tax	18,242	(338,580)
Income tax expense	<u>-</u>	<u>-</u>
Gain/(loss) on disposal after income tax expense	<u>18,242</u>	<u>(338,580)</u>
Profit/(loss) after income tax expense from discontinued operations	<u><u>1,191</u></u>	<u><u>(344,104)</u></u>

Note 4. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated	
	2016	2015
	\$	\$
Cash and cash equivalents	206,323	913
Trade and other receivables	280,295	100,000
Financial assets	-	197,812
Other current assets	-	122,080
Property, plant and equipment	-	10,838
Intangibles	615,843	-
Deferred tax assets	9,943	-
Total assets	1,112,404	431,643
Trade and other payables	248,630	-
Borrowings	738,804	77,850
Income tax	52,049	-
Other liabilities	78,608	-
Total liabilities	1,118,091	77,850
Net assets/(liabilities)	(5,687)	353,793

Details of the disposal

	Consolidated	
	2016	2015
	\$	\$
Total sale consideration	12,335	10,000
Carrying amount of net assets/(liabilities) disposed	5,687	(353,793)
De-recognition of foreign currency reserve	220	5,213
Gain/(loss) on disposal before income tax	18,242	(338,580)
Gain/(loss) on disposal after income tax	18,242	(338,580)

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	2016	2015
	\$	\$
Cash and cash equivalents	818,618	1,069,747
Cash on deposit	38,225	-
Total	856,843	1,069,747

Note 6. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	2016	2015
	\$	\$
Shares in listed entities - designated at fair value through profit or loss	-	140,000

Shares in listed entities

During the year ended 30 June 2016, the consolidated entity disposed of its shares in the Australian rare earths company Hastings Rare Metals Limited (ASX: HAS). As at 30 June 2015, the consolidated entity held 1,750,000 shares in Hastings Rare Metals Limited.

Note 7. Current assets - available-for-sale financial assets

	Consolidated	
	2016	2015
	\$	\$
Shares in unlisted entities	-	905,068

Shares in unlisted entities relate to its holding in PAFtec Pty Ltd which were assigned to the convertible note holders during the year ended 30 June 2016.

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	2016	2015
	\$	\$
Leasehold improvements - at cost	10,557	-
Less: Accumulated depreciation	(3,810)	-
	6,747	-
Plant and equipment - at cost	188,986	24,282
Less: Accumulated depreciation	(23,611)	(14,978)
	165,375	9,304
Motor vehicles - at cost	468,606	-
Less: Accumulated depreciation	(41,464)	-
	427,142	-
	599,264	9,304

Note 8. Non-current assets - property, plant and equipment (continued)

Reconciliations

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

Consolidated	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2014	-	4,984	-	4,984
Additions	-	7,129	-	7,129
Depreciation expense	-	(2,809)	-	(2,809)
Balance at 30 June 2015	-	9,304	-	9,304
Additions	-	161,532	372,219	533,751
Additions through business combinations (note 18)	10,557	13,076	96,387	120,020
Depreciation expense	(3,810)	(18,537)	(41,464)	(63,811)
Balance at 30 June 2016	<u>6,747</u>	<u>165,375</u>	<u>427,142</u>	<u>599,264</u>

Note 9. Non-current assets - intangibles

	Consolidated	
	2016	2015
	\$	\$
Goodwill - at cost	<u>277,994</u>	<u>-</u>

Reconciliations

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

Consolidated	Goodwill \$	Total \$
Balance at 1 July 2014	-	-
Balance at 30 June 2015	-	-
Additions through business combinations (note 18)	893,837	893,837
Disposals	(615,843)	(615,843)
Balance at 30 June 2016	<u>277,994</u>	<u>277,994</u>

For the purpose of impairment testing, goodwill is allocated to the consolidated entity's cash generating units ('CGUs') that are expected to benefit from the synergies of the business combination. A CGU level summary of goodwill allocation is as follows:

	Consolidated	
	2016	2015
	\$	\$
Tournet	137,994	-
Ikkyu Ramen	120,000	-
EQ Foods	20,000	-
	<u>277,994</u>	<u>-</u>

Note 9. Non-current assets - intangibles (continued)

Key assumptions used for value-in-use calculations:

The consolidated entity tests whether goodwill has suffered any impairment on at least an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Board of Directors covering a one year period. Estimated growth rates and other reasonable assumptions are utilised to further calculate cash flows out to five years from balance date. Cash flows beyond the five year period are extrapolated into perpetuity using estimated terminal growth rates shown below.

The following table sets out the key assumptions used for value-in-use calculations:

Two to five year growth rates

Tournet - 5%

Ikkyu Ramen - 5%

EQ Foods - 5%

Long term growth rate

Tournet - 3%

Ikkyu Ramen - 3%

EQ Foods - 3%

Pre-tax discount rate

Tournet - 20%

Ikkyu Ramen - 15%

EQ Foods - 15%

No impairment charge:

Based on the value-in-use calculation methodology and assumptions stated above, the carrying amount of each CGU at balance date does not exceed its recoverable amount.

Impact of possible changes in assumptions:

A reasonable possible change in the key assumptions above would not cause the carrying amount of either CGU to exceed its recoverable amount.

Note 10. Non-current assets - Other receivables

	Consolidated	
	2016	2015
	\$	\$
Receivable	-	1,117,721

As at 30 June 2015, the receivable represents a loan to COTY Guam LLC. This loan was unsecured and interest was charged at 2% per annum. The loan and outstanding interest was fully repaid during the year ended 30 June 2016.

Note 11. Current liabilities - trade and other payables

	Consolidated	
	2016	2015
	\$	\$
Trade payables	158,627	-
Other payables and accruals	241,816	98,736
Payable to convertible noteholders	-	850,000
	<u>400,443</u>	<u>948,736</u>

As at 30 June 2015, \$850,000 payable to convertible noteholders relates to those noteholders who elected to take shares in PAFtec Pty Limited. The assignment of the PAFtec shares to a trustee company of the noteholders was completed on 7 August 2015 and the consolidated entity has no further legal liability to the noteholders.

Note 12. Current liabilities - borrowings

	Consolidated	
	2016	2015
	\$	\$
Other loans - unsecured	-	60,000
Lease liability	79,874	-
	<u>79,874</u>	<u>60,000</u>

Other loans

As at 30 June 2015 other loans represent advances from WIN Singapore Holdings Pte Limited. The loan was unsecured and interest was charged at 8% per annum. The loan was fully repaid during the year ended 30 June 2016.

Note 13. Non-current liabilities - borrowings

	Consolidated	
	2016	2015
	\$	\$
Lease liability	253,186	-

Total secured liabilities

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

	Consolidated	
	2016	2015
	\$	\$
Lease liability	333,060	-

Assets pledged as security

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.

Note 14. Equity - issued capital

	Consolidated			
	2016	2015	2016	2015
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>10,807,266,550</u>	<u>10,597,266,550</u>	<u>30,378,956</u>	<u>29,968,956</u>

Note 14. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2014	956,141,262		24,902,072
Issue of shares on conversion of convertible notes	30 September 2014	1,602,615,567	\$0.0009	1,442,354
Issue of shares on conversion of loan and placement	11 November 2014	625,000,000	\$0.0008	500,000
Issue of shares on conversion of loan and placement	25 November 2014	251,287,500	\$0.0008	201,030
Issue of shares on conversion of loan and placement	25 November 2014	100,000,000	\$0.0010	100,000
Issue of shares from share purchase plan	3 December 2014	37,222,221	\$0.0009	33,500
Issue of shares on conversion of loan and placement	1 April 2015	400,000,000	\$0.0005	190,000
Issue of shares from share purchase plan	25 June 2015	6,125,000,000	\$0.0004	2,450,000
Issue of unlisted options	25 June 2015	500,000,000	\$0.0003	150,000
Balance	30 June 2015	10,597,266,550		29,968,956
Shares issued on acquisition of Tournet Oceania Pty Limited	1 July 2015	90,000,000	\$0.0010	90,000
Shares issued on acquisition of Ikkyu Ramen	4 August 2015	120,000,000	\$0.0010	120,000
Settlement of shares from exercise of options	1 December 2015	-	\$0.0000	200,000
Balance	30 June 2016	<u>10,807,266,550</u>		<u>30,378,956</u>

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.

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 2015 Annual Report.

Note 15. Equity - reserves

	Consolidated	
	2016	2015
	\$	\$
Available-for-sale reserve	-	616,536
Other reserves	819,702	819,702
	<u>819,702</u>	<u>1,436,238</u>

Available-for-sale reserve

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Note 15. Equity - reserves (continued)

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Other reserves

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

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Available-for-sale \$	Foreign currency translation \$	Other \$	Total \$
Balance at 1 July 2014	283,518	(5,213)	819,702	1,098,007
Foreign currency translation	-	5,213	-	5,213
Revaluation of available-for-sale financial assets, net of tax	333,018	-	-	333,018
Balance at 30 June 2015	616,536	-	819,702	1,436,238
Transfer to income statement on disposal of investment	(616,536)	-	-	(616,536)
Balance at 30 June 2016	-	-	819,702	819,702

Note 16. Equity - accumulated losses

	Consolidated	
	2016	2015
	\$	\$
Accumulated losses at the beginning of the financial year	(29,020,152)	(27,522,940)
Loss after income tax expense for the year	(770,903)	(1,497,212)
Accumulated losses at the end of the financial year	(29,791,055)	(29,020,152)

Note 17. Equity - dividends

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

Note 18. Business combinations

Acquisition of Tournet Oceania Pty Limited

On 1 July 2015, the consolidated entity acquired 100% of the issued share capital in Tournet Oceania Pty Limited ('Tournet') for \$90,000 by way of issue of shares in the company at an issue price of \$0.001 per share. Tournet is a long established in-bound tourist business with long term associations with Japanese tourist company wholesalers. Tournet specialises in providing Japanese tourists with local tours including a Sydney night tour, golfing tours and tours to the Blue Mountains. The acquisition shall form the basis for the consolidated entity's investment in the tourism industry in Australia. The goodwill of \$137,994 is attributed to the expected synergies and other benefits of combining the activities of Tournet to the consolidated entity. The acquired business contributed revenues of \$1,528,307 and a loss after tax of \$27,247 to the consolidated entity for the period from 1 July 2015 to 30 June 2016. The values identified in relation to the acquisition of Tournet are final as at 30 June 2016.

Note 18. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	144,372
Trade receivables	136,845
Leasehold improvements	10,557
Plant and equipment	8,076
Motor vehicles	96,387
Trade payables	(108,589)
Other payables	(216,689)
Lease liability	(118,953)
	<hr/>
Net liabilities acquired	(47,994)
Goodwill	137,994
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>90,000</u>
Representing:	
A1 Investments & Resources Ltd shares issued to vendor shareholders	<u>90,000</u>

Acquisition of the business of ASA Foods Pty Ltd

On 4 August 2015, the consolidated entity acquired all the business of ASA Foods Pty Limited known as Ikkyu Ramen for \$120,000 by way of issue of shares in the company at an issue price of \$0.001 per share. No assets were acquired or liabilities assumed as part of the acquisition and total consideration of \$120,000 represents goodwill. The goodwill is attributed to the expected synergies and other benefits of combining the activities of Ikkyu Ramen to the consolidated entity. The acquired business contributed revenues of \$454,337 and a loss after tax of \$46,888 to the consolidated entity for the period from 4 August to 30 June 2016. If the acquisition occurred on 1 July 2015, the full year contributions would have been revenues of \$495,640 and loss after tax of \$51,150. The values identified in relation to the acquisition of Ikkyu Ramen are final as at 30 June 2016.

Details of the acquisition are as follows:

	Fair value \$
Goodwill	<u>120,000</u>
Acquisition-date fair value of the total consideration transferred	<u>120,000</u>
Representing:	
A1 Investments & Resources Ltd shares issued to vendor	<u>120,000</u>

Note 18. Business combinations (continued)

Acquisition of Great Voyage Co. Ltd.

On 11 September 2015, A1 Investments Japan Co Limited ('A1 Japan') a wholly owned subsidiary of the Company, acquired 100% of the issued share capital in Great Voyage Co. Ltd. ('Great Voyage') for \$682,000. At the time of acquisition, the goodwill of \$615,843 was attributed to the expected synergies and other benefits of combining the activities of Great Voyage to the consolidated entity. A1 Japan financed the acquisition by way of a loan of JPY65,000,000 (approximately \$738,804) ('the A1 Japan Loan'). The acquired business contributed revenues of \$2,443,926 and a loss after tax of \$17,051 to the consolidated entity for the period from 11 September 2015 to 8 June 2016. On 8 June 2016, Great Voyage together with its immediate parent company, A1 Japan, was sold for \$12,335 (JPY1,000,000). The purchaser assumed the obligations of the A1 Japan Loan. The consideration received from the sale of the companies when compared to consideration used to acquire Great Voyage is reflective of the significant liabilities and borrowings in A1 Japan at the date of disposal. The sale of A1 Japan and its controlled entity generated a profit on disposal of \$18,242. Refer to note 4 for details.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	231,622
Trade receivables	368,808
Other receivables	3,377
Deferred tax asset	1,858
Trade payables	(508,742)
Other payables	(9,450)
Provision for income tax	(21,316)
	<hr/>
Net assets acquired	66,157
Goodwill	615,843
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Acquisition-date fair value of the total consideration transferred	682,000
	<hr/> <hr/>
Representing:	
Cash paid or payable to vendor	682,000
	<hr/> <hr/>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	682,000
Less: cash and cash equivalents	(231,622)
	<hr/>
Net cash used	450,378
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Note 18. Business combinations (continued)

Acquisition of the business of Yes Food Services Pty Limited ('Yes Food')

On 11 November 2015, the consolidated entity acquired the business assets of Yes Food comprising of equipment and stock for \$44,870. The acquisition formed the basis of a new business created by the consolidated entity called EQ Foods. EQ Foods will continue to operate independently while leveraging the consolidated entity's resources. The goodwill of \$20,000 is attributed to the expected synergies and other benefits of combining the activities of EQ Foods to the consolidated entity. The acquired business contributed revenues of \$1,123,418 and a loss after tax of \$337,404 to the consolidated entity for the period from 23 November 2015 to 30 June 2016. If the acquisition occurred on 1 July 2015, the half year contributions would have been revenues of \$1,755,340 and loss after tax of \$527,193. The values identified in relation to the acquisition of the Yes Food Service business are provisional as at 30 June 2016.

Details of the acquisition are as follows:

	Fair value \$
Inventories	19,870
Plant and equipment	5,000
Net assets acquired	24,870
Goodwill	20,000
Acquisition-date fair value of the total consideration transferred	<u>44,870</u>
Representing:	
Cash paid or payable to vendor	<u>44,870</u>

Note 19. Earnings per share

	Consolidated 2016 \$	2015 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(772,094)</u>	<u>(1,152,274)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,793,578,026</u>	<u>2,969,902,582</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,793,578,026</u>	<u>2,969,902,582</u>
	Cents	Cents
Basic earnings per share	(0.007)	(0.039)
Diluted earnings per share	(0.007)	(0.039)
	Consolidated 2016 \$	2015 \$
<i>Earnings per share for profit/(loss) from discontinued operations</i>		
Profit/(loss) after income tax	1,191	(344,104)
Non-controlling interest	-	(834)
Profit/(loss) after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>1,191</u>	<u>(344,938)</u>

Note 19. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	10,793,578,026	2,969,902,582
Weighted average number of ordinary shares used in calculating diluted earnings per share	10,793,578,026	2,969,902,582
	Cents	Cents
Basic earnings per share	-	(0.012)
Diluted earnings per share	-	(0.012)
	Consolidated	
	2016	2015
	\$	\$
<i>Earnings per share for loss</i>		
Loss after income tax	(770,903)	(1,496,378)
Non-controlling interest	-	(834)
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	(770,903)	(1,497,212)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	10,793,578,026	2,969,902,582
Weighted average number of ordinary shares used in calculating diluted earnings per share	10,793,578,026	2,969,902,582
	Cents	Cents
Basic earnings per share	(0.007)	(0.050)
Diluted earnings per share	(0.007)	(0.050)