

Kangaroo Island Plantation Timbers

ASX code: KPT

ABN 19 091 247 166

Quarterly Activities Report and Appendix 4C

For the quarter ended
30 June 2021

For personal use only



Highlights

Since last 4C quarterly

- **Board changes**
- **On-market takeover bid**

Board Changes

On the 14th July 2021 the Company announced the appointment of two new non-executive directors to the Board, Mr James Davies and Mr Mitch Taylor.

The appointment of the new directors followed the resignation of Mr John Sergeant in May 2021 and Mr Graham Holdaway in May 2020.

Both appointments bring significant skills to the board as detailed in the resumes provided in the announcement of the 14th July.

Chairman Paul McKenzie stated “we are pleased to welcome the additional capacity the new directors will bring to the board, at an important time for KIPT in its evolution following the wildfires of January 2020. We particularly note the continued support of our shareholder Samuel Terry Asset Management to the Company in its appointment of Mitch Taylor to the board”.

At the next general meeting of the Company, the Board will seek confirmation by shareholders of the directors’ appointments and performance rights.

On-market Takeover Bid

On the 21st June 2021 the Company announced the close of offer period for the on-market takeover bid by Samuel Terry Asset Management Pty Ltd (ACN 108 611 785) as trustee for Samuel Terry Absolute Return Active Fund (ABN 67 302 926 069) (STAM) (Takeover Offer) and the Company’s Statement 17 May 2021.

At the close of the Offer Period for the On-Market Takeover Bid 4.10pm 18 June 2021, STAM had acceptances for 1,100,532 shares, equivalent to 1.95% of the shareholding of the Company. This took STAM’s total holding to 28.18%.

The Target’s Statement described options available to the board on behalf of shareholders, following the removal of the fire-affected forests, and taking into account the pending decision by the South Australia state government on the proposed Smith Bay seaport. The review process by the board of those options is enhanced by the addition the new board members Mr James Davies and Mr Mitch Taylor.

Covid-19

As reported previously, while KIPT acknowledges the trauma created by Covid-19 to the regional community of Kangaroo Island and national economy, neither the restrictions imposed by State and Federal governments nor the virus itself has adversely affected Company employees or operations. The Company continues to monitor government directives and health advice, and updates its protocols and procedures accordingly.

The Company’s Covid-19 compliance plan extends to the construction and harvesting operations outlined above.

Quarterly Activities Report

For the quarter ended 30 June 2021



Securities on issue

At quarter end and as at the date of this report, the securities on issue included:

Ordinary Shares on issue

	Number of Ordinary Fully paid Shares
As at 31 March 2021	56,414,515
Shares issued	65,844
At 30 June 2021 and at the date of this report	56,480,359

Payments to Related Parties

During the quarter ended 30 June 2021, the Company paid \$480,000 to related parties of the entity. This amount consisted of executive and non-executive Directors' fees of \$177,000, other key management personnel and their related parties of \$303,000.

Appendix 4C

Appendix 4C, as required by Listing Rule 4.7B, for the quarter ending 30 June 2021 is attached to this report.

Cash and cash equivalents

The cash and cash equivalents at 30 June 2021 amounted to \$32,735,000.

Loan facilities

At 30 June 2021, the Company had no loan facilities.

Signed on authority of the Board of Kangaroo Island Plantation Timbers Ltd

Ms Vicky Allinson
Company Secretary
Date: 30 July 2021

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

KANGAROO ISLAND PLANTATION TIMBERS LIMITED

ABN

19 091 247 166

Quarter ended ("current quarter")

30 JUNE 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	38	70
1.2 Payments for		
(a) research and development	-	(9)
(b) product manufacturing and operating costs – plantation and harvesting costs	(1,494)	(3,231)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(268)	(1,376)
(f) administration and corporate costs	(348)	(875)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	58
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid – R&D Refund	-	43
1.7 Government grants and tax incentives	-	1,196
1.8 Other (provide details if material)		
Insurance Proceeds	-	32,412
Wharf Development	(377)	(1,003)
1.9 Net cash from / (used in) operating activities	(2,441)	27,285

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(331)	(3,106)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	8	79
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(323)	(3,027)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Unmarketable parcel buyback	-	(42)
3.10	Net cash from / (used in) financing activities	(2)	(44)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	35,501	8,521
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,441)	27,285
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(323)	(3,027)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(44)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	32,735	32,735

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	32,735	35,501
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	32,735	35,501

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
454
26

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1 payments relate to:

- Executive & Non-Executive Directors' fees \$177k; and
- KMP salaries and fees \$277k
- Other Related Parties \$Nil

6.2 payments relate to:

- KMP salaries and fees \$26k; and
- Other Related Parties \$Nil

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 **Unused financing facilities available at quarter end**

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

--

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(2,441)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	32,735
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	32,735
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	13

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a see 8.5

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a see 8.5

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a see 8.5

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 July 2021

Date:

By authority of the Board

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.