Boundary Bend Limited
and Controlled Entities
ABN 32 115 131 667

Financial Report
For the year ended 30 June 2009

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BOUNDARY BEND LIMITED
ABN 32 115 131 667
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors present their report together with the financial report of Boundary Bend Limited ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the financial year ended 30 June 2009 and auditors report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards. Compliance with Australian equivalents of International Financial Reporting Standards ensures compliance with International Financial Reporting Standards(IFRS).

Directors Names

The names of the directors in office at any time during or since the end of the financial year are:

Robert McGavin
Paul Riordan
Leandro Ravetti
Tim Jonas
Craig Ball
Jonathan West (Director appointment date: 24/10/08)
Timothy Smith (Director appointment date: 30/7/09)
Kevin Roache (Director cessation date: 24/10/08)
Robert Hance (Director cessation date: 25/6/09)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

The following person held the position of company secretary at the end of the financial year:

Anthony Instrell - Bachelor of Business (Accounting and Finance). Mr Instrell joined the Boundary Bend Group as Chief Financial Officer in August 2005.

Results

The loss of the economic entity for the financial year, after providing for income tax, amounted to $18,998,886, compared to a profit after income tax for the previous year of $4,872,195. The negative financial result is due to substantial write-downs of asset values and impairment charges, the majority of which relate to Timbercorp being placed in Liquidation.

The result from trading operations (before impairment and fair value adjustments) was a profit before tax of $4,126,397 (2008 $6,059,187). The result would have been $6,320,560 had it not been negatively affected by $2,194,163 directly resulting from the Timbercorp collapse and resultant bad debts and nursery tree obsolence write-downs.

An independent valuation was undertaken of our olive grove located at Boundary Bend. This resulted in a fair value write-down in its value of $9,585,580.

Since the company was established it has carried goodwill on its balance sheet relating to various Timbercorp contracts. With the collapse of Timbercorp, these contracts no longer have any value and, accordingly, the goodwill and related items have been written off. These write-offs amount to $12,749,774. In addition, BBL's investment in Origin Olives (the owner of the Viva trademark) has been written down by $402,504.

The result for the year is therefore summarised as follows:

Trading Profit before Timbercorp related losses	$ 6,320,560
Less Timbercorp related losses	($ 2,194,163)
Trading profit	**$ 4,126,397**
Less goodwill and investment write-downs	($13,152,278)
Less write-down in fair value of olive grove	($ 9,585,580)
Loss before tax	**($18,611,461)**

During the year an independent valuation was conducted on the olive grove and the water rights owned by BBL and also BBL's other freehold properties located at Boundary Bend and Broderick Road, Lara. The valuation resulted in the following changes in asset values:

Water rights at Boundary Bend	$5,020,835	increase
Broderick Road Property	$1,141,656	increase
Boundary Bend Grove (land & buildings)	($ 732,982)	(decrease)
Tax effect adjustment	($1,628,853)	(decrease)

The net valuation increases amounting to $3,800,656 are required by Australian accounting standards to be credited direct to the asset revaluation reserve and not to profit, whereas the decreases must be debited to the profit & loss statement.

Review of Operations

For detailed comments in relation to a review of operations of the economic entity during the financial year and the results of those operations please refer to the Chairman and Managing Director's Report.

Significant Changes in State of Affairs

Significant changes in the state of affairs of the economic entity during the financial year, were as follows:

On the 29 June 2009, a major customer and shareholder of the Boundary Bend Group, Timbercorp Limited (in Liquidation) and associated entities were placed into liquidation.

For detailed comments in relation to this significant change please refer to the Chairman and Managing Director's Report.

Principal Activities

The principal activities of the economic entity during the financial year were propagation of olive trees for sale, production of olive oil for sale, management and consulting services for the olive industry, production of olive harvesters and marketing of olive oil.

After Balance Date Events

Particulars of matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in future financial years are as follows:

On 12 October 2009 Boundary Bend Ltd was successful in it's bid to acquire the Timbercorp Limited (in Liquidation) olive groves at both Boort and Boundary Bend for $59,500,000. The assets purchased by Boundary Bend Limited include 6,012 hectares at Boort and Boundary Bend; 26,121 megalitres of permanent water rights on the Murray and Goulburn systems; an olive processing facility located at Boort and Timbercorp's 19.4% equity interest in Boundary Bend Limited.

Likely Developments

For further comments in relation to the likely developments please refer to the Chairman and Managing Director's Report.

Environmental Issues

The economic entity's operations are subject to environmental regulations under a law of the Commonwealth and of a State or Territory. Details of the economic entity's performance in relation to such environmental regulation follows:

The group is subject to regulations stipulated by the Environmental Protection Authority (EPA), Department of Sustainability and Environment concerning native vegetation and the Lower Murray Water Council for irrigation and drainage.

The directors are not aware of any material breaches of environmental laws and regulations.

Dividends Paid, Recommended, and Declared

Dividends paid or declared since the start of the financial year are as follows:

(a) Dividends declared on 10 September 2008	$ 46,250	(2008: $1,612,327)
(b) Dividends paid on 24 September 2008	$ 1,658,577	(2008: $ -)

The dividend of $46,250 relates to the 5 cent per share dividend on new shares issued between 1 July 2009 and the record date of 10 September 2009.

Information on Directors

Robert McGavin	-	Age 40
Experience	-	Robert McGavin is co founder of the Boundary Bend Group and is active in the ongoing management. Robert was named in the Australian Farm Journal's top 100 young rural achievers and was also the winner of the Marcus Oldham Year 2000 Graduate of Excellence award.
Special Responsibilities	-	Robert McGavin is Executive Chairman of Boundary Bend Ltd and a member of the Audit Committee.

DIRECTORS' REPORT (cont'd)

INFORMATION ON DIRECTORS (Continued)

Paul Riordan	-	Age 37
Experience	-	Paul Riordan is acknowledged as one of Australia's foremost experts in the olive industry and is a co founder of the Boundary Bend Group with Robert McGavin. He is currently overseeing the operations of the groves and the manufacturing of the harvest equipment.
Special Responsibilities	-	Paul Riordan is Managing Director of Boundary Bend Ltd.
Leandro Ravetti	-	Age 36
Experience	-	Leandro joined Modern Olives from Argentina where he had been working with many of the largest olive developments. Leandro was acknowledged as one of Argentina's most experienced and respected olive advisors and researchers dealing specifically with "modern" olive production. This experience adds to his vast knowledge on varieties, olive cultural practices, olive oil processing and oil chemistry. Leandro is highly valued and respected within Boundary Bend Group and a great resource for the Australian Olive industry.
Special Responsibilities	-	Leandro Ravetti is the Technical Director of Boundary Bend Ltd.
Tim Jonas	-	Age 63
Qualifications	-	MBA (University of Melbourne) Bachelor of Commerce (University of Melbourne) Fellow of Institute of Chartered Accountants in Australia. Fellow of the Australian Society of Certified Practising Accountants.
Experience	-	Tim is a retired partner and former National Chairman of Pitcher Partners but continues as a consultant to that firm. He holds a number of directorships and provides business advice to a wide range of businesses particularly in the agribusiness sector. He has been involved with Boundary Bend from its inception.
Special Responsibilities	-	Tim Jonas is Chairman of the Audit and Remuneration Committees.
Craig Ball	-	Age 52
Experience	-	Craig Ball is an executive director of stockbrokers Taylor Collison Limited, responsible for corporate finance in equity capital markets. He has had extensive experience in capital raising and advising wineries and horticulture enterprises. He has been involved with Boundary Bend since 1998 assisting with its formation and development. Craig is a Chartered Accountant and holds a Bachelor of Economics degree. He worked for international Chartered Accounting firms before joining the stockbroking industry in 1987.
Special Responsibilities	-	Craig is a member of the Remuneration Committee.

INFORMATION ON DIRECTORS (Continued)

Jonathan West	- Age 52
Experience	- Professor Jonathan West is the Director of the Australian Innovation Research Centre. Prior to assuming his current appointment, West served for 18 years at the Harvard University Graduate School of Business Administration, where he was Associate Professor, founding Director of the Harvard University Life Sciences Initiative, and from 1998-1999 the Novartis Faculty Research Fellow. He has been Visiting Professor at Hitotsubashi University and the Nomura School of Advanced Management in Tokyo, Japan and Visiting Professor at the University de Paris IX-Dauphine, Sorbonne. Professor West is also Chairman of the Asia Advisory Council of Bunge Ltd, one of the world's largest agribusiness processing and trading companies, and has served as an advisor to other major corporations and several Governments around the world, including in the agribusiness field, DuPont, Roche, Novartis, Syngenta and the J.R. Simplot Company, along with the Governments of Singapore, Japan, Hong Kong and France. He was a member of the Scientific Advisory Board of the Novartis Agricultural Discovery Institute in La Jolla, California. In Australia, he has served on the Prime Minister's Science, Engineering, Innovation Council's Working Group on Science and Technology in China and India and in 2006 was 'Eminent Thinker in Residence' with the Premier of NSW.
Timothy Smith	- Age 35
Experience	- Tim has over 10 years experience in the marketing of food and beverage products. He has extensive experience in major food and beverage markets including Australia, the USA, Japan and South-East Asia, and worked in this field in the USA for 3 years.
Special Responsibilities	- Tim currently heads up BBL's Sales and Marketing division.

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS		AUDIT COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Robert McGavin	7	6	1	-
Paul Riordan	7	7	-	-
Leandro Ravetti	7	6	-	-
Tim Jonas	7	7	1	1
Craig Ball	7	7	-	-
Jonathan West (Director appointment date: 24/10/08)	4	3	-	-
Timothy Smith (Director appointment date: 30/7/09)	-	-	-	-
Kevin Roache (Director cessation date: 24/10/08)	3	2	1	-
Robert Hance (Director cessation date: 25/6/09)	7	6	1	1

Two meetings of the Remuneration Committee occurred during the financial year.

Options

There were no options issued during the 2008/09 financial year.

425,000 options were exercised during the year at an exercise price of $1.00.

Since year end, no options have been exercised, and no further options have been granted.

Indemnification of Officers and Auditors

During or since the end of the financial year, the economic entity has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

Key management risk insurance has been taken out on Leandro Ravetti. Period of cover is until 18 May 2010. Total premium paid for this insurance is $8,172.

Directors and officers liability insurance has been taken out for all directors. Period of cover is until 31 December 2009. Total premiums paid for this insurance are $16,123.

Auditor's Independence Declaration

A copy of the auditor's declaration under section 307C in relation to the audit for the financial year is provided with this report.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or 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 any part of those proceedings.

Signed in accordance with a resolution of the Board of Directors:

Director ______________________

Robert McGavin

Director ______________________

Paul Riordan

Dated this 29 day of October 2009.

Deloitte.

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The Board of Directors
Boundary Bend Limited
151 Broderick Road
LARA, VIC 3212

29 October 2009

Dear Board Members

Boundary Bend Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Boundary Bend Limited.

As lead audit partner for the audit of the financial statements of Boundary Bend Limited for the financial year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan

Craig Bryan
Partner
Chartered Accountants

BOUNDARY BEND LIMITED
ABN 32 115 131 667
AND CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Economic Entity 2009	Economic Entity 2008	Parent Entity 2009	Parent Entity 2008
		$	$	$	$
Sales revenue	3	39,359,759	33,651,641	-	-
Other income	3	8,456,170	8,813,911	4,525,682	5,091,142
		47,815,929	42,465,552	4,525,682	5,091,142
Cost of sales		(33,654,154)	(25,513,571)	-	-
Distribution expenses		(1,829,551)	(435,867)	(83)	-
Marketing expenses		(1,061,978)	(508,439)	(31,844)	(8,050)
Occupancy expenses		(615,921)	(407,239)	(45,095)	-
Administrative expenses		(4,441,683)	(5,807,475)	(2,807,929)	(2,224,412)
Fair value adjustment to biological assets		(9,585,580)	-	-	-
Impairment of non-current assets	4	(13,152,278)	-	(12,370,695)	-
Other expenses		(416,355)	(1,597,613)	(266,858)	(188,068)
		(64,757,500)	(34,270,204)	(15,522,504)	(2,420,530)
Finance costs	4	(1,669,890)	(2,136,161)	(980,867)	(1,089,129)
Profit/(loss) before income tax expense		(18,611,461)	6,059,187	(11,977,689)	1,581,483
Income tax (expense)/benefit	5	(387,425)	(1,186,992)	(126,289)	(68,439)
Profit/(loss) from continuing operations		(18,998,886)	4,872,195	(12,103,978)	1,513,044
Net loss attributable to minority interests		(69,117)	-	-	-
Net profit/(loss) attributable to the members of the parent		(18,929,769)	4,872,195	(12,103,978)	1,513,044

BOUNDARY BEND LIMITED
ABN 32 115 131 667
AND CONTROLLED ENTITIES

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT ASSETS					
Cash and cash equivalents	6	1,441,164	2,279,615	51,118	1,493,400
Receivables	7	8,529,181	7,095,069	1,887,902	4,668,142
Inventories	8	32,420,898	11,797,167	-	-
Other	9	491,558	516,717	178,009	263,586
TOTAL CURRENT ASSETS		42,882,801	21,688,568	2,117,029	6,425,128
NON-CURRENT ASSETS					
Receivables	7	228,982	257,143	36,091,142	28,750,856
Other financial assets	10	614,085	1,000,500	5,626,013	15,727,987
Property, plant and equipment	11	32,798,231	27,654,819	201,224	255,851
Biological assets	12	2,156,266	11,741,846	-	-
Intangible assets	13	12,297,208	20,026,147	-	-
Deferred tax assets	5	-	-	148,759	100,205
TOTAL NON-CURRENT ASSETS		48,094,772	60,680,455	42,067,138	44,834,899
TOTAL ASSETS		90,977,573	82,369,023	44,184,167	51,260,027
CURRENT LIABILITIES					
Trade and other payables	14	4,834,561	3,827,471	699,743	111,843
Short term borrowings	15	1,092,756	1,564,223	-	34,839
Current tax liabilities	5	1,401,257	207,210	174,842	110,435
Provisions	16	583,805	2,049,840	125,096	1,724,377
Other	17	18,765,783	2,654,293	325,755	262,194
TOTAL CURRENT LIABILITIES		26,678,162	10,303,037	1,325,436	2,243,688
NON-CURRENT LIABILITIES					
Payables	14	16,763	734,000	88,784	1,013,140
Long term borrowings	15	33,622,302	29,317,577	20,100,000	16,850,000
Deferred tax liabilities	5	318,816	113,162	-	-
Provisions	16	81,654	45,728	51,261	20,615
TOTAL NON-CURRENT LIABILITIES		34,039,535	30,210,467	20,240,045	17,883,755
TOTAL LIABILITIES		60,717,697	40,513,504	21,565,481	20,127,443
NET ASSETS		30,259,876	41,855,519	22,618,686	31,132,584
EQUITY					
Share capital	18	34,669,067	30,982,888	34,669,067	30,982,888
Other reserves	19	3,748,800	103,086	53,193	103,042
Retained earnings/(Accumulated Losses)	20	(8,206,474)	10,769,545	(12,103,574)	46,654
Parent entity interest		30,211,393	41,855,519	22,618,686	31,132,584
Minority interest		48,483	-	-	-
TOTAL EQUITY		30,259,876	41,855,519	22,618,686	31,132,584

The accompanying notes form part of these financial statements.

BOUNDARY BEND LIMITED
ABN 32 115 131 667
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

		Economic Entity		Parent Entity	
	Notes	2009	2008	2009	2008
		$	$	$	$
Total equity at the beginning of the financial year		41,855,519	37,531,966	31,132,584	30,168,226
Gain on revaluation of properties, net of tax		3,800,656	-	-	-
Profit/(loss) for the year		(18,998,886)	4,872,195	(12,103,978)	1,513,044
Total recognised income and expense for the year		(15,198,230)	4,872,195	(12,103,978)	1,513,044
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity net of transaction costs	18	3,686,179	1,125,668	3,686,179	1,125,668
Employee share options	19	(49,849)	(62,027)	(49,849)	(62,027)
Foreign exchange translation reserve		(105,093)	44	-	-
Dividends provided for or paid		(46,250)	(1,612,327)	(46,250)	(1,612,327)
Changes in outside equity interest		117,600	-	-	-
		3,602,587	(548,642)	3,590,080	(548,686)
Total equity at the end of the financial year		30,259,876	41,855,519	22,618,686	31,132,584

The accompanying notes form part of these financial statements.

BOUNDARY BEND LIMITED
ABN 32 115 131 667
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers		45,774,108	41,058,184	8,353,462	2,820,371
Payments to suppliers and employees		(45,299,477)	(35,666,246)	(3,072,196)	(2,032,493)
Interest received		99,491	125,582	66,400	52,214
Borrowing costs		(134,003)	(2,136,161)	(1,087,245)	(1,089,129)
Income tax paid		(616,577)	(1,762,270)	(110,435)	(96,751)
Net cash provided by/(used in) operating activities	24 (b)	(176,458)	1,619,089	4,149,986	(345,788)
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		259,813	779,047	-	-
Proceeds from sale of investments		151,567	-	72,660	-
Payment for property, plant and equipment and intangibles		(4,506,984)	(2,217,880)	(62,090)	(230,290)
Payment for investments		(167,656)	-	(2,341,381)	-
Net cash used in investing activities		(4,263,260)	(1,438,833)	(2,330,811)	(230,290)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from share issue		2,710,176	563,058	2,592,576	563,058
Proceeds from borrowings		35,145,520	1,850,000	26,430,000	1,850,000
Repayment of borrowings		(33,613,235)	(3,046,029)	(23,214,839)	(711,480)
Dividends paid to shareholders		(641,194)	-	(641,194)	-
Loans (to)/from subsidiaries		-	-	(8,428,000)	43,450
Net cash provided by/(used in) financing activities		3,601,267	(632,971)	(3,261,457)	1,745,028
Net (decrease) / increase in cash held		(838,451)	(452,715)	(1,442,282)	1,168,950
Cash at beginning of financial year		2,279,615	2,732,330	1,493,400	324,450
Cash at end of financial year	24 (a)	1,441,164	2,279,615	51,118	1,493,400

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report was approved by the directors as at the date of the director's report.

Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalents to International Financial Reporting Standards ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRS.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidations

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities which Boundary Bend Ltd has the power to control the financial and operating policies so as to obtain benefits from its activities.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist. All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Income Tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and attributable to unused tax losses.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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 economic entity has not recognised as a tax asset the unclaimed building allowance deductions it acquired on the purchase of the Broderick Road buildings in Lara in Victoria. The balance of the potential deferred tax asset available to the economic entity whilst it maintains ownership of these buildings is disclosed in note 5.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Tax Consolidation

The parent entity Boundary Bend Limited and its subsidiaries have implemented the tax consolidation legislation and have formed a tax-consolidated group from 1 July 2005. The parent entity and subsidiaries in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. All entities in the tax-consolidated group have adopted Interpretation 1052 to account for the effects of the tax funding agreement under the tax consolidation system. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances;
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as intercompany payables or receivables.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Finance Costs

Finance costs can include interest, ancillary costs incurred in connection with arrangement of borrowings, including trade creditors and lease finance charges.

Finance costs are expensed as incurred.

(d) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(e) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(f) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Rent revenue is recognised in accordance with the substance of the relevant contract.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Finished goods include olive oil produced from the economic entity's olive groves. Olive oil inventories include agricultural produce that the economic entity has harvested from its biological assets. This agricultural produce is measured on initial recognition at fair value less estimated point-of-sale costs at the point of harvest. This value forms part of the cost of olive oil inventories for measurement at balance date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured at fair value. At each balance date the carrying value of each asset is reviewed to ensure that it is correctly stated at fair value. The effective date of the revaluation was at 30 June 2009 and was performed by an independent valuer. The fair values were determined directly by reference to recent market transactions on arm's length terms.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings	2.5 %	Straight Line
Plant and equipment	4.5% - 22.5 %	Diminishing Value
Leased plant and equipment	17 %	Straight Line
Motor Vehicles	18.75 %	Diminishing Value
Office Equipment	40 %	Straight Line
Furniture, Fixtures and Fittings	4.5% - 22.5% %	Diminishing Value

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangibles

Goodwill

Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the company's share of net identifiable assets of the acquired entities at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Water rights

Water rights are initially recorded at cost and are subsequently carried at fair value. Water rights have an indefinite life and are not amortised. Water rights are tested annually for impairment. The directors have elected to revalue the water rights to fair value of $8,336,860. These water rights were previously carried at their cost of $3,316,025. Fair value has been determined with reference to a signed valuation from an independent valuer.

Distribution rights and Trademarks

Distribution rights and Trademarks are initially recorded at the purchase price and are subsequently carried at cost. Distribution rights and Trademarks are not amortised and are tested annually for impairment.

(k) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transactions and Balances

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

A monetary item arising under a foreign currency contract outstanding at the reporting date where the exchange rate for the monetary item is fixed in the contract is translated at the exchange rate fixed in the contract.

All resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

The foreign currency hedging policy is described under the financial instruments policy note.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Employee Benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions made by the company to an employee superannuation fund are recognised as an expense as they become payable.

Share-based payments

The entity operates an Employee and Officers Share Option Plan. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the option granted.

(m) Research and Development Expenditure

Expenditure on research and development activities are recognised as an expense when incurred.

(n) Financial Instruments

Classification

Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Financial assets

Non-listed investments of which the fair value cannot be reliably measured are carried at cost and tested for impairment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Non-interest bearing loans and receivables are designated as receivable 'at call' and are therefore carried at face value.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Non-interest bearing loans and payables are payable on demand and are therefore carried at face value.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Hedge accounting

Certain derivatives are designated as hedging instruments. By nature, they are further classified as either fair value hedges or cash flow hedges.
The company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair value or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

To qualify as a cash flow hedge the underlying transactions generating the cash flows must be highly probable. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. This gain or loss is released to profit or loss in the same period as the forecast transactions occur, thereby mitigating any adverse result that would have transpired in the absence of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

(o) Agriculture

The economic entity applies Accounting Standard AASB 141 "Agriculture", which requires the measurement of biological assets and agricultural produce at the point of harvest to be valued at fair value less estimated point-of-sale costs. Where fair value cannot be measured reliably for biological assets, such biological assets are measured at cost.

Biological assets include olive trees owned by the economic entity and include olive trees in the olive groves and those held in the nurseries. Olive trees in the olive groves are measured at net fair value based on an independent valuation undertaken in June 2009. This fair value was derived using the net present value of cash flows expected to be generated by the biological assets discounted at a current market-determined rate which reflected the risks associated with cash flow streams. Olive trees in the nursery are initially measured at cost until the tree has reached maturity which is historically at 18 months.

The olive fruit produced at the point of harvest is valued at fair value forming part of the measurement of inventory cost.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

(q) Operating Segments

The company has early adopted AASB 8: Operating Segments, issued in February 2007.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are based on past performance and management's expectation for the future.

Critical accounting estimates and assumptions

The group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events which could have a material impact on the assets and liabilities in the next financial year are discussed below:

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Estimated impairment of goodwill

All goodwill acquired through business combinations were allocated to individual cash generating units for impairment testing. Each entity is considered a separate cash generating unit. The recoverable amount of the cash generating units (CGU) have been determined based on a value in use calculation using detailed financial projections approved by the Board of Directors covering the next two financial years. Cash flows beyond this point are extrapolated using a growth rate of 3% for years three, four and five for each CGU. The discount rate applied to the cash flow projections is 12.8% (2008: 10%) being a similar discount rate used by a listed entity in the same industry.

The terminal value at the end of the 5th year is based on the after tax cashflow from the business in year 5 multiplied by the inverse of the discount rate less the growth rate. The growth rate is based on the Board of Directors expectations, industry knowledge, and recent transactions taking into account future potential and features specific to each CGU.

Key assumptions used in value in use calculations

The key assumptions on which management has based its cash flow projections when determining the value in use of the CGU's is that projected turnover, margins and expenses are determined based on historical performance, adjusted for internal/external changes anticipated in the forecasted years.

Impairment losses recognised

Goodwill impairment losses of $12,179,774 have been recognised for the year ended 30 June 2009, in relation to the following CGUs;

- Bounday Bend Estate Management (Boort) Pty Ltd - $6,759,111
- Pengala Pty Ltd - $2,825,759
- Boundary Bend Estate Management Pty Ltd - $2,594,904

The liquidation of the major customer Timbercorp Ltd has reduced cash flows of these CGU's which has in turn resulted in the impairment loss disclosed above.

The impairment losses detailed above have been recognised in the income statement disclosed as 'Impairment of non-current assets'.

(b) Impairment of other assets

The recoverable amount of the Distribution Rights, Investments in Other Corporations, and Investments in Subsidiaries has been determined based on a value in use calculation described above. Land and Buildings have been assessed for impairment based on fair value with reference to an Independent Valuation.

Distribution rights

This intangible asset relates to the commission revenue earned on the sale of Timbercorp's olive oil. As Timbercorp has been placed into liquidation, the future revenue to be earned from the sale of Timbercorp oil will be minimal. As such, an impairment loss for the full $570,000 carrying value has been recognised.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Investments in subsidiaries and other corporations

An impairment loss of $402,504 has been recognised in the consolidated entity in relation to investments in other corporations.

An impairment loss of $12,370,695 has been recognised in the parent company in relation to investments in subsidiaries and other corporations.

A five year discounted cash flow as described in 2(a) above was used to assess the recoverable values of the investments.

The impairment losses detailed above have been recognised in the income statement disclosed as 'Impairment of non-current assets'.

Land and buildings

Land and buildings of $21,320,998 have been recognised at fair value.

The fair value as at 30 June 2009 has been independently valued.

As a result of these valuations, a revaluation increment of $408,674 has been recognised and recorded directly against the asset revaluation reserve.

(c) Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) *Biological Assets*

Biological assets relate to the olive trees planted at Boundary Bend.

The fair value of the biological assets are based on an independent valuation using a discounted cash flow where the following key assumptions and considerations are:

- a discount rate of 17.50% to reflect the uncertainty associated with the price received for oil as well as fluctuations in input costs including exposure to climatic risk;
- the expected oil yield from crushed olives increases up to the expected yield from a fully mature olive tree;
- the expected market price of olive oil;
- the costs associated with maintaining the groves and processing the oil is based on expected costs, increasing in line with expected inflation;
- growth in capital value; and
- the fair value of biological assets has been calculated based on the aggregate net present value derived from the DCF, less the fair value of water rights and Boundary Bend land and buildings which are implicit in the DCF valuation.

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 3: REVENUE					
Operating activities					
- sale of goods		39,359,759	33,651,641	-	-
- management / service fees		4,962,102	8,090,153	4,153,473	3,604,265
- dividends		-	-	-	1,400,000
- interest	3(a)	127,841	125,582	94,750	52,214
- rent		2,470,605	452,874	-	-
- other revenue		895,622	145,302	277,459	34,663
		47,815,929	42,465,552	4,525,682	5,091,142
(a) Interest from:					
- other persons		127,841	125,582	94,750	52,214
		127,841	125,582	94,750	52,214

NOTE 4: PROFIT/(LOSS) FROM CONTINUING ACTIVITIES

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Profit before income tax has been determined after:					
Expenses:					
Interest paid:					
- other persons		1,479,477	1,750,242	979,019	1,068,352
Borrowing costs		-	18,541	-	18,541
Hire purchase charges		158,459	301,794	17	-
Finance lease charges		31,954	65,584	1,831	2,236
Total finance costs		1,669,890	2,136,161	980,867	1,089,129
Depreciation of non-current assets					
- Buildings		413,570	329,513	-	-
- Plant and equipment		1,027,355	915,281	221	-
- Motor vehicles		13,332	10,141	6,482	45,071
- Office Equipment		138,048	88,764	110,014	-
- Furniture, fixtures and fittings		3,140	8,594	-	-
Depreciation of property, plant and equipment		1,595,445	1,352,293	116,717	45,071
Amortisation of non-current assets		179,872	198,836	-	-
Impairment of non-current assets:					
- goodwill	13	12,179,774	-	-	-
- investments	10	402,504	-	12,370,695	-
- distribution rights	13	570,000	-	-	-
Impairment of non-current assets recognised in the income statement		13,152,278	-	12,370,695	-
Bad and doubtful debts:					
- trade debtors		1,011,053	133,252	-	-
Bad and doubtful debts		1,011,053	133,252	-	-
Remuneration of the auditors for:					
- audit services		36,902	37,982	36,830	37,982
		36,902	37,982	36,830	37,982
Net operating lease payments		15,089	208,342	-	-

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 4: OPERATING PROFIT (Continued)					
Employee benefits:					
Share based payments		26,396	45,583	26,396	45,583
Other employment costs		3,812,010	3,584,789	2,010,630	1,286,888
		3,838,406	3,630,372	2,037,026	1,332,471
Net loss on disposal of non-current assets					
- Property, plant and equipment		38,088	-	-	-

NOTE 5: INCOME TAX

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Income tax expense:					
Current tax		1,810,624	745,650	174,843	110,435
Deferred tax		(1,423,199)	458,507	(48,554)	(41,996)
Over provision in prior years		-	(17,165)	-	-
		387,425	1,186,992	126,289	68,439
Deferred income tax (revenue)/expense included in income tax expense comprises:					
Decrease / (increase) in deferred tax assets		(796,209)	34,250	(46,609)	(41,996)
(Decrease) / Increase in deferred tax liabilities		(626,990)	424,257	(1,945)	-
		(1,423,199)	458,507	(48,554)	(41,996)
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:					
Prima facie income tax payable on profit before income tax at 30% (2008 - 30%)		(5,583,438)	1,817,756	(3,593,307)	474,445
Add:					
Tax effect of:					
- Share based payment expense		7,919	13,675	7,919	13,675
- Change in Fair Value of Groves		2,875,674	-	-	-
- Impairment losses		3,774,683	-	3,711,209	-
- other non-allowable items		3,951	1,686	468	319
		1,078,789	1,833,117	126,289	488,439
Less:					
Tax effect of:					
- rebateable dividends		-	-	-	420,000
- Research and development deductions		110,595	379,939	-	-
- Depreciation		248,053	265,434	-	-
- Investment allowance		287,293	-	-	-
- other non-assessable items		45,423	752	-	-
Income tax expense attributable to profit		387,425	1,186,992	126,289	68,439

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 5: INCOME TAX EXPENSE (Continued)					
Amounts recognised directly in equity:					
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity:					
Net deferred tax - debited/(credited) directly to equity		1,628,853	-	-	-
		1,628,853	-	-	-
Current tax liability					
Balance at the beginning of the year		207,210	1,223,830	110,435	96,751
Income tax		1,810,624	745,650	174,842	110,435
Tax payments		(616,577)	(1,762,270)	(110,435)	(96,751)
Adjustments for prior period taxes		-	-	-	-
Tax liability on acquisition of subsidiary		-	-	-	-
Balance at the end of the year		1,401,257	207,210	174,842	110,435
Deferred tax assets:					
The balance comprises temporary differences attributable to:					
- Doubtful debts		448,509	56,237	-	-
- Employee benefits		199,630	144,972	52,899	39,800
- Inventories		202,880	-	-	-
- Property, plant and equipment		19,782	160,924	-	-
- Other		415,285	127,744	105,196	60,405
		1,286,086	489,877	158,095	100,205
Deferred tax liabilities					
The balance comprises temporary differences attributable to:					
Amounts recognised in profit or loss:					
- Inventories		-	455,705	-	-

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 5: INCOME TAX EXPENSE (Continued)					
- Finance Leases		98,651	41,287	9,336	-
- Intangible assets at fair value		1,506,251	-	-	-
- Foreign exchange movements		-	106,047	-	-
		1,604,902	603,039	9,336	-
Balance after set off of deferred tax assets and liabilities		(318,816)	(113,162)	148,759	100,205
Deferred tax asset not brought to account relating to unclaimed building allowance deductions and impairment of goodwill, biological assets, land and buildings and other investments, the benefits of which will only be realised if the conditions for deductibility set out in the accounting policies note occur.		7,870,502	1,468,198	-	-

NOTE 6: CASH AND CASH EQUIVALENTS

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash on hand	1,020	13,682	200	200
Cash at bank	1,440,144	2,265,933	50,918	1,493,200
	1,441,164	2,279,615	51,118	1,493,400

NOTE 7: RECEIVABLES

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT					
Trade debtors		9,013,364	6,736,640	1,928,264	3,318,722
Provision for doubtful debts		(1,495,031)	(187,455)	-	-
		7,518,333	6,549,185	1,928,264	3,318,722
Other receivables		972,244	503,027	(78,966)	1,306,563
Amounts receivable from:					
- directors		38,604	42,857	38,604	42,857
		1,010,848	545,884	(40,362)	1,349,420
		8,529,181	7,095,069	1,887,902	4,668,142
NON-CURRENT					
Amounts receivable from:					
Loans receivable					
- wholly owned entities		-	-	35,862,160	28,493,713
- directors		228,982	257,143	228,982	257,143
		228,982	257,143	36,091,142	28,750,856

The average credit period on sales of goods and rendering of services is 30 days end of month. No interest is charged on the trade receivables for the first 30 days from the last day of the month in which the receivable was incurred. Thereafter, interest is charged at a commercial rate on a case by case basis depending on management's discretion and whether the receivable is past due. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the sale of goods and rendering services, determined by reference to past default experience. The group has provided fully for all receivables that are past due beyond 120 days, as historical experience is such that receivables past due beyond 120 days are generally not recoverable.

New and existing customers are subject to defined credit limits, which are reviewed on a regular basis. The Group operates credit insurance where appropriate for customers to mitigate default. Under the policy the Group has discretionary credit approval limits for amounts below $25,000. Credit limits over $25,000 are subject to approval by the insurance provider.

Included in the Group's trade receivable balance are debtors with a carrying amount of $2.04 million (2008: $903,926) which are past due at the reporting date. Other than Timbercorp Limited (in Liquidation), there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Movement in the allowance for doubtful debts					
Balance at the beginning of the year		(187,455)	(96,170)	-	-
Doubtful debts recognised on receivables		(1,436,596)	(187,455)	-	-
Amounts recovered during the year		49,265	96,170		
Amounts written off during the year		79,755	-	-	-
Balance at the end of the year		(1,495,031)	(187,455)	-	-

NOTE 8: INVENTORY & BIOLOGICAL ASSETS FOR SALE

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT				
Raw materials and stores at cost	683,420	1,653,284	-	-
Less provision for obsolescence	(128,967)	-	-	-
	554,453	1,653,284	-	-
Work in progress at cost	25,221	82,869	-	-
Olive oil - refer note 1(h), 1(o) & 8(a)	30,994,904	6,955,927	-	-
Biological assets for sale - refer note 1(o) & 8(b)	2,075,022	3,105,087	-	-
Less provision for obsolescence	(1,228,702)	-	-	-
	846,320	3,105,087	-	-
	32,420,898	11,797,167	-	-

Note:
8 (a) Olive oil inventories on hand at year end are valued at estimated average selling price less selling costs.

8 (b) Biological assets for sale comprise olive trees growing in the company's nurseries. Refer note 1 (o) for the valuation approach. Olive trees less than 18 months old are valued at cost. There are no trees at fair value.

NOTE 9: OTHER ASSETS

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT				
Prepayments	335,603	437,431	169,101	263,586
Other current assets	155,955	79,286	8,908	-
	491,558	516,717	178,009	263,586

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 10: OTHER FINANCIAL ASSETS					
NON-CURRENT					
Other financial assets:					
Shares in subsidiaries		-	-	17,479,987	15,065,682
Shares in other corporations - refer Note 1(n)		1,016,589	1,000,500	516,721	662,305
Less provision for impairment		(402,504)	-	(12,370,695)	-
		614,085	1,000,500	5,626,013	15,727,987

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Land and Buildings				
Freehold land and buildings at cost	-	13,734,331	-	-
Less accumulated depreciation	-	(1,203,588)	-	-
	-	12,530,743	-	-
Freehold land and buildings at fair value	21,320,988	5,984,017	-	-
Total land and buildings	21,320,988	18,514,760	-	-
Plant and Equipment				
Plant and equipment				
At cost	9,639,631	7,868,271	638	638
Less accumulated depreciation	(2,419,355)	(1,764,871)	(221)	-
	7,220,276	6,103,400	417	638
Leased plant and equipment				
Capitalised lease assets at cost	5,230,657	3,277,845	-	-
Less accumulated depreciation	(1,415,609)	(950,379)	-	-
	3,815,048	2,327,466	-	-

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)					
Motor vehicles					
At cost		62,377	93,697	-	-
Less accumulated depreciation		(38,789)	(49,755)	-	-
		23,588	43,942	-	-
Under lease		60,585	521,327	60,585	60,585
Less accumulated depreciation		(29,466)	(176,628)	(29,466)	(22,984)
		31,119	344,699	31,119	37,601
Office equipment					
At cost		611,044	399,206	330,601	268,511
Less accumulated depreciation		(244,721)	(102,683)	(160,913)	(50,899)
		366,323	296,523	169,688	217,612
Furniture, fixtures and fittings					
At cost		32,562	32,563	-	-
Less accumulated depreciation		(11,673)	(8,534)	-	-
		20,889	24,029	-	-
Total plant and equipment		11,477,243	9,140,059	201,224	255,851
Total property, plant and equipment		32,798,231	27,654,819	201,224	255,851

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year.

	Land and buildings		Plant & equipment	
	Economic Entity $	Parent Entity $	Economic Entity $	Parent Entity $
2009				
Balance at the beginning of the year	18,514,760	-	6,103,400	638
Additions	2,777,127	-	2,217,568	-
Disposals	(7,115)	-	(168,299)	-
Revaluations	1,141,656	-	-	-
Depreciation expense	(413,570)	-	(796,619)	(221)
Reclassification between groups	41,112	-	(135,774)	-
Impairment	(732,982)	-	-	-
Carrying amount at end of year	21,320,988	-	7,220,276	417
2008				
Balance at the beginning of the year	17,950,630	-	4,302,932	1,020
Additions	945,526	-	3,211,430	-
Disposals	-	-	(745,774)	-
Depreciation expense	(381,396)	-	(665,188)	(382)
Carrying amount at the end of the year	18,514,760	-	6,103,400	638

	Leased plant and equipment		Motor vehicles	
	Economic Entity $	Parent Entity $	Economic Entity $	Parent Entity $
2009				
Balance at the beginning of the year	2,327,466	-	388,641	37,601
Additions	1,700,000	-	-	-
Disposals	(108,907)	-	(13,505)	-
Depreciation expense	(410,608)	-	(13,332)	(6,482)
Reclassification between groups	307,097	-	(307,097)	-
Carrying amount at the end of the year	3,815,048	-	54,707	31,119
2008				
Balance at the beginning of the year	2,716,665	-	309,755	46,279
Additions	-	-	153,004	-
Depreciation expense	(389,199)	-	(74,118)	(8,678)
Carrying amount at the end of the year	2,327,466	-	388,641	37,601

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

	Office equipment		Furniture, fixtures & fittings	
	Economic Entity $	Parent Entity $	Economic Entity $	Parent Entity $
2009				
Balance at the beginning of the year	296,523	217,612	24,029	-
Additions	113,261	62,090	-	-
Disposals	(75)	-	-	-
Depreciation expense	(138,048)	(110,014)	(3,140)	-
Reclassification between groups	94,662	-	-	-
Carrying amount at the end of the year	366,323	169,688	20,889	-
2008				
Balance at the beginning of the year	69,698	23,333	27,788	-
Additions	290,400	230,290	-	-
Depreciation expense	(63,575)	(36,011)	(3,759)	-
Carrying amount at the end of the year	296,523	217,612	24,029	-

	Total Property, Plant & Equipment	
	Economic Entity $	Parent Entity $
2009		
Balance at the beginning of the year	27,654,819	255,851
Additions	6,807,956	62,090
Disposals	(297,901)	-
Revaluations	1,141,656	-
Depreciation expense	(1,775,317)	(116,717)
Impairment	(732,982)	-
Carrying amount at the end of the year	32,798,231	201,224
2008		
Balance at the beginning of the year	25,377,468	70,632
Additions	4,600,360	230,290
Disposals	(745,774)	-
Depreciation expense	(1,577,235)	(45,071)
Carrying amount at the end of the year	27,654,819	255,851

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amounts that would have been recognised if land and buildings were stated at cost

	2009	2008	2009	2008
Freehold land and buildings				
Cost	20,912,314	18,514,760	-	-
Carrying amount	20,912,314	18,514,760	-	-

NOTE 12: BIOLOGICAL ASSETS

At fair value

Olive Groves (refer Note 2 (d))	2,156,266	11,741,846	-	-
	2,156,266	11,741,846	-	-

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 13: INTANGIBLE ASSETS					
Goodwill at cost		13,693,195	13,693,195	-	-
Less accumulated impairment losses		(12,179,774)	-	-	-
		1,513,421	13,693,195	-	-
Water rights at cost		-	3,316,025	-	-
Water rights at fair value		8,336,860		-	-
Trademarks at cost		2,446,927	2,446,927	-	-
Distribution rights at cost		570,000	570,000	-	-
Less accumulated impairment losses		(570,000)	-	-	-
		12,297,208	20,026,147	-	-

Reconciliation of Intangible Assets

	Water rights Economic Entity $	Water rights Parent Entity $	Trademarks Economic Entity $	Trademarks Parent Entity $
2009				
Balance at the beginning of the year	3,316,025	-	2,446,927	-
Fair value adjustment	5,020,835	-	-	-
Carrying amount at the end of the year	8,336,860	-	2,446,927	-
2008				
Balance at the beginning of the year	3,316,025	-	2,446,927	-
Carrying amount at the end of the year	3,316,025	-	2,446,927	-

	Distribution rights Economic Entity $	Distribution rights Parent Entity $	Goodwill Economic Entity $	Goodwill Parent Entity $
2009				
Balance at the beginning of the year	570,000	-	13,693,195	-
Impairment	(570,000)	-	(12,179,774)	-
Carrying amount at the end of the year	-	-	1,513,421	-
2008				
Balance at the beginning of the year	570,000	-	13,693,195	-
Carrying amount at the end of the year	570,000	-	13,693,195	-

NOTE 14: PAYABLES

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT					
Unsecured liabilities					
Trade creditors		4,368,578	2,661,695	652,782	81,663
Sundry creditors		465,983	1,165,776	46,961	30,180
		4,834,561	3,827,471	699,743	111,843
NON-CURRENT					
Unsecured liabilities					
Loans payable - wholly owned entities		-	-	88,784	1,013,140
Sundry creditors		16,763	734,000	-	-
		16,763	734,000	88,784	1,013,140

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTE 15: BORROWINGS

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT					
Secured liabilities					
Finance lease liability	21	142,840	520,478	-	34,839
Hire purchase liability	21	949,916	1,043,745	-	-
		1,092,756	1,564,223	-	34,839
NON-CURRENT					
Secured liabilities					
Bank loans		28,100,000	25,314,480	20,100,000	16,850,000
Finance lease liability	21	484,316	629,175	-	-
Hire purchase liability	21	5,037,986	3,373,922	-	-
		33,622,302	29,317,577	20,100,000	16,850,000

(a) The bank loans are secured by a registered debenture over the assets and undertakings of the parent entity and the subsidiaries.

		Economic Entity		Parent Entity	
	Notes	2009	2008	2009	2008
		$	$	$	$

NOTE 16: PROVISIONS

CURRENT					
Dividends		26	1,612,327	26	1,612,327
Employee benefits	(a)	583,779	390,971	125,070	112,050
Other		-	46,542	-	-
		583,805	2,049,840	125,096	1,724,377
NON-CURRENT					
Employee benefits	(a)	81,654	45,728	51,261	20,615
		81,654	45,728	51,261	20,615
(a) Aggregate employee benefits liability		665,433	436,699	176,331	132,665
(b) Number of employees at year end		107	117	20	15

NOTE 17: OTHER LIABILITIES

CURRENT					
Accrued expenses		18,088,599	2,618,293	325,755	262,194
Deferred income		677,184	36,000	-	-
		18,765,783	2,654,293	325,755	262,194

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 18: SHARE CAPITAL					
Issued and paid up capital					
35,214,850 (2008 : 32,246,546) ordinary shares	18(a)	34,669,067	30,982,888	34,669,067	30,982,888
		34,669,067	30,982,888	34,669,067	30,982,888
(a) ordinary shares					
At the beginning of the reporting period		30,982,888	29,857,220	30,982,888	29,857,220
Shares issued during the year					
- 443,100 on 5 May 2008		-	418,058	-	418,058
- 145,000 on 19 May 2008		-	171,013	-	171,013
- 455,000 on 30 June 2008		-	536,597	-	536,597
- 500,000 on 1 July 2008		650,000	-	650,000	-
- 225,000 on 1 July 2008		265,365	-	265,365	-
- 200,000 on 28 July 2008		235,880	-	235,880	-
- 115,385 on 23 September 2008		150,001	-	150,001	-
- 76,923 on 25 September 2008		100,000	-	100,000	-
- 21,861 on 26 September 2008		28,419	-	28,419	-
- 1,551,808 on 30 September 2008		1,994,858	-	1,994,858	-
- 277,327 on 5 November 2008		261,654	-	261,654	-
At reporting date		34,669,067	30,982,888	34,669,067	30,982,888
		No.	No.	No.	No.
At the beginning of reporting period		32,246,546	31,203,446	32,246,546	31,203,446
Shares issued during year					
- 5 May 2008		-	443,100	-	443,100
- 19 May 2008		-	145,000	-	145,000
- 30 June 2008		-	455,000	-	455,000
- 1 July 2008		500,000	-	500,000	-
- 1 July 2008		225,000	-	225,000	-
- 28 July 2008		200,000	-	200,000	-
- 23 September 2008		115,385	-	115,385	-
- 25 September 2008		76,923	-	76,923	-
- 26 September 2008		21,861	-	21,861	-
- 30 September 2008		1,551,808	-	1,551,808	-
- 5 November 2008		277,327	-	277,327	-
At reporting date		35,214,850	32,246,546	35,214,850	32,246,546

Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitle to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Refer to note 28 for details of share options that have been granted.

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 19: RESERVES					
Asset revaluation reserve	19(a)	3,800,656	-	-	-
Foreign currency reserve	19(b)	(105,049)	44	-	-
Share based payments	19(c)	53,193	103,042	53,193	103,042
		3,748,800	103,086	53,193	103,042
(a) Asset Revaluation Reserve					
Movements during the financial year:					
Opening balance		-	-	-	-
- Fair value adjustment to non-current assets		3,800,656	-	-	-
Closing balance		3,800,656	-	-	-
The asset revaluation reserve records revaluations of non-current assets					
(b) Foreign currency translation reserve					
Movements during the financial year:					
Opening balance		44	-	-	-
Foreign currency translation reserve		(105,093)	44	-	-
Closing balance		(105,049)	44	-	-
Exchange differences relating to the translation from the functional currencies of the groups foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency reserve.					
(c) Other reserves					
Movements during the financial year:					
Opening balance		103,042	165,069	103,042	165,069
Options exercised, transferred to equity		(76,245)	(107,610)	(76,245)	(107,610)
Share based payments expense		26,396	45,583	26,396	45,583
Closing balance		53,193	103,042	53,193	103,042

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $

NOTE 19: RESERVES (Continued)

Further details of share based payments are provided in note 29.

NOTE 20: RETAINED EARNINGS /(ACCUMULATED LOSSES)

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Retained earnings at the beginning of the financial year		10,769,545	7,509,677	46,654	145,937
Net profit / (loss) attributable to members of the entity		(18,929,769)	4,872,195	(12,103,978)	1,513,044
Dividends provided for or paid		(46,250)	(1,612,327)	(46,250)	(1,612,327)
Retained earnings/(Accumulated losses) at the end of the financial year		(8,206,474)	10,769,545	(12,103,574)	46,654

NOTE 21: CAPITAL AND LEASING COMMITMENTS

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(a) Finance leasing commitments					
Payable					
- not later than one year		181,555	560,979	-	36,053
- later than one year and not later than five years		506,596	660,922	-	-
Minimum lease payments		688,151	1,221,901	-	36,053
Less future finance charges		(60,995)	(72,248)	-	(1,214)
Total finance lease liability		627,156	1,149,653	-	34,839
Represented by:					
Current liability	15	142,840	520,478	-	34,839
Non-current liability	15	484,316	629,175	-	-
		627,156	1,149,653	-	34,839
(b) Hire purchase commitments					
Payable					
- not later than one year		1,362,467	1,008,214	-	-
- later than one year and not later than five years		5,798,427	4,382,451	-	-
Minimum hire purchase payments		7,160,894	5,390,665	-	-
Less future finance charges		(1,172,992)	(972,998)	-	-
Total hire purchase liability		5,987,902	4,417,667	-	-
Represented by:					
Current liability	15	949,916	1,043,745	-	-
Non-current liability	15	5,037,986	3,373,922	-	-
		5,987,902	4,417,667	-	-
(c) Operating lease commitments					
Non-cancellable operating leases contracted for but not capitalised in the financial statements:					
Payable					
- not later than one year		1,242,622	975,840	3,156	-
- later than one year and not later than five years		995,744	1,039,700	2,630	-
		2,238,366	2,015,540	5,786	-

Operating leases relate to farm equipment and motor vehicles with lease terms of between 3 to 5 years, warehouse equipment and office space with lease terms of between 3 to 6 years . All operating lease contracts contain market review clauses in the event that the Boundary Bend Group exercises any option to renew. The Boundary Bend Group does not have an option to purchase the leased asset at the expiry of the lease period.

NOTE 22: CONTINGENT LIABILITIES

Estimates of the maximum amounts of contingent liabilities that may become payable:

Boundary Bend Ltd and its controlled entities are currently involved in legal claims and counter claims with a bottling equipment agent and a manufacturing company. These cases may take up to 12 months to finalise and at this point in time it is not possible to determine either the estimated cost to defend or the probability of succeeding in any of the cases. In the event of adverse findings by the courts Boundary Bend Ltd and its controlled entity will be liable to pay an estimated $350,488 plus interest and costs.

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $

NOTE 23: RELATED PARTY TRANSACTIONS

(a) Transactions within the Wholly-Owned Group:

The ultimate parent entity in the wholly-owned group is Boundary Bend Limited.

Details of management fee revenue derived by the parent entity from wholly-owned controlled entities is disclosed in Note 3 to the financial statements.

Amounts receivable from or payable to wholly-owned controlled entities is disclosed in Note 7 and Note 13 respectively to the financial statements.

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(b) Loans receivable from directors:				
Leandro Ravetti	267,586	300,000	267,586	300,000
	267,586	300,000	267,586	300,000

Loans to directors are made on terms equivalent to those that prevail in arms lengths transactions. The above loan is payable over 7 years at a variable interest rate of 9.45%.

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(c) Transactions with director related entities on commercial and arms length terms.				
Pitcher Partners provide accounting, advisory and taxation services to the Boundary Bend Group. Tim Jonas, who has retired as a partner of Pitcher Partners, continues as a consultant to Pitcher Partners.	99,375	129,445	66,700	129,445
Boundary Bend Group pays directors fees to Jonas Advisors Pty Ltd, a company owned by Tim Jonas. Transactions with Jonas Advisors Pty Ltd include $35,000 directors fees for Tim Jonas.	43,000	32,000	43,000	32,000
Coulter Roache provide legal services to the Boundary Bend Group. Kevin Roache is a partner of Coulter Roache. Transactions with Coulter Roache include $11,670 directors fees for Kevin Roache.	71,350	91,015	11,670	32,425

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 23: RELATED PARTY TRANSACTIONS (Continued)					
Boundary Bend Group has entered into marketing contracts with Olivecorp Management Pty Ltd, a subsidiary of Timbercorp Ltd (In Liquidation), to market and sell oil on behalf of Timbercorp Ltd (In Liquidation) and purchased bulk oil. Robert Hance is a director of Timbercorp Ltd (In Liquidation).		14,661,484	9,880,799	1,411	3,938
Taylor Collision Ltd provide consulting services to the Boundary Bend Group. Craig Ball is a director of Taylor Collison Ltd. Transactions with Taylor Collison Ltd include $35,000 directors fees for Craig Ball.		39,430	32,000	37,330	32,000
Boundary Bend Group pays directors fees to Jonathan West. Transactions with Jonathan West include $23,330 for directors fees.		24,183	-	24,183	-
Pengala Pty Ltd has rental agreements with Victorian Bulk Handlers Pty Ltd, of which Jim Riordan is an owner. Jim Riordan is a relative of Paul Riordan.		28,096	28,142	-	-
Boundary Bend Group has reimbursed Timbercorp Ltd (in Liquidation) for various grove related costs as well as payment of $8,000 in directors fees for Robert Hance.		18,731	33,091	11,750	33,091
Boundary Bend Group pays housing rental and Maqtec shed rental to P & F Riordan Pty Ltd, of which Paul Riordan is a shareholder. Reimbursable expenses are paid to Fiona Riordan. Fiona Riordan is the spouse of Paul Riordan.		39,042	188,859	18,527	-

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 23: RELATED PARTY TRANSACTIONS (Continued)					
Boundary Bend Group procures fuel from Riordan Fuels Pty Ltd and pays accommodation expenses to United Retail Group Pty Ltd, of which Robert Riordan is an owner. Robert Riordan is a relative of Paul Riordan.		135,985	361,035	-	-
Boundary Bend Group procures soil nutrition products from Riordan Group Pty Ltd, of which Jim Riordan is an owner. Jim Riordan is a relative of Paul Riordan.		23,741	-	-	-
Boundary Bend Group pays aircraft hire, vehicle maintenance and reimbursable expenses to RD & KA McGavin Pty Ltd and McGavin Investments Pty Ltd, companies owned by Robert McGavin.		50,922	40,000	35,922	25,000
Boundary Bend Group pays consultancy fees to Loughman Trade Corp, a company owned by Jose Mourelle. Jose Mourelle is a legal representative of Boundary Bend Estate Pty Ltd in Argentina.		79,793	-	79,793	-
Boundary Bend Group has entered into management contracts with Timbercorp Ltd (In Liquidation) and associated entities to manage and develop the Olive Groves owned by Timbercorp Ltd (In Liquidation). Robert Hance is a director of Timbercorp Ltd (In Liquidation).		3,923,565	5,161,403	-	-

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 23: RELATED PARTY TRANSACTIONS (Continued)					
Boundary Bend Group has entered into tree supply contracts with Timbercorp Ltd (In Liquidation) and associated entities to supply trees for the Olive Groves owned by Timbercorp Ltd (In Liquidation) and associated entities. Robert Hance is a director of Timbercorp Ltd (In Liquidation).		765,987	3,204,620	-	-
Boundary Bend Group has entered into harvester supply contracts with Timbercorp Ltd (In Liquidation) and associated entities to provide equipment for harvesting the Olive Groves owned by Timbercorp Ltd (In Liquidation). Robert Hance is a director of Timbercorp Ltd (In Liquidation).		1,888,190	1,889,884	-	-
Boundary Bend Group has entered into a lease agreement with Timbercorp Ltd (In Liquidation) and associated entities to lease the 520 hectare olive grove. Robert Hance is a director of Timbercorp Ltd (In Liquidation).		1,998,971	-	-	-
Boundary Bend Group has incurred telephone expenses on behalf of Poligolet Holdings Pty Ltd and Jubilee Park Vineyards Pty Ltd, companies owned by Robert McGavin. The expenses were on-charged to Poligolet Holdings Pty Ltd and Jubilee Park Vineyards Pty Ltd		22,356	-	22,356	-

NOTE 23: RELATED PARTY TRANSACTIONS (Continued)

(f) Shares held by directors and director related entities:

2009

Director	Shares held by director	Shares held by director related entity	Total	Ownership %	
	No.	No.	No.		
Robert McGavin	2,841,178	4,780,407	7,621,585	21.6	(a)
Paul Riordan	3,489,974	2,619,144	6,109,118	17.3	(a)
Leandro Ravetti	-	624,764	624,764	1.8	
Robert Hance (Timbercorp Ltd)	-	6,817,220	6,817,220	19.4	(b)
Tim Jonas	-	608,204	608,204	1.7	(a)
Craig Ball	205,062	-	205,062	0.6	
Jonathan West	-	-	-	-	
Kevin Roache	123,394	57,280	180,674	0.5	(a)
	6,659,608	15,507,019	22,166,627	62.9	

2008

Director	Shares held by director	Shares held by director related entity	Total	Ownership %	
	No.	No.	No.		
Robert McGavin	2,735,950	4,609,381	7,345,331	22.8	(a)
Paul Riordan	3,489,974	2,619,144	6,109,118	18.9	(a)
Leandro Ravetti	601,625	-	601,625	1.9	
Robert Hance (Timbercorp Ltd)	-	6,297,675	6,297,675	19.5	(b)
Tim Jonas	-	597,411	597,411	1.9	(a)
Craig Ball	123,394	-	123,394	0.4	
Kevin Roache	123,394	55,159	178,553	0.6	(a)
	7,074,337	14,178,770	21,253,107	66.0	

(a) Owned by director or director related entity.
(b) Robert Hance is a director of Timbercorp Ltd (In Liquidation).

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $

NOTE 24: CASH FLOW INFORMATION

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash on hand		1,020	13,682	200	200
Cash at bank		1,440,144	2,265,933	50,918	1,493,200
		1,441,164	2,279,615	51,118	1,493,400

(b) Reconciliation of cash flow from operations after income tax:

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Profit after income tax		(18,998,886)	4,872,195	(12,103,978)	1,513,044
Non-cash flows in profit from ordinary activities					
Amortisation		410,608	423,778	-	-
Depreciation		1,364,709	1,153,457	116,717	45,071
Net (gain) / loss on disposal of property, plant and equipment		38,089	(34,042)	-	-
Impairment loss		13,152,278	-	12,370,695	-
Fair Value adjustment to non-current assets.		9,585,580	-	-	-
Share Based Payment Expense		26,396	45,583	26,396	45,583
Changes in assets and liabilities, net of effects from acquisition of business:					
Decrease/(increase) in receivables		(1,405,951)	(1,683,997)	3,867,954	(2,236,504)
Decrease / (Increase) in other assets		25,159	(56,919)	85,577	(21,165)
Increase in inventories and biological assets		(20,623,731)	(2,525,184)	-	-
Increase / (decrease) in reserves		(105,093)	44	-	-
Increase/(decrease) in payables		289,853	(877,554)	(336,456)	87,619

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
NOTE 24: CASH FLOW INFORMATION (Continued)					
Increase/(decrease) in income tax payable		1,194,047	(1,016,620)	64,407	13,684
(Increase)/decrease in deferred taxes		(1,423,199)	458,506	(48,554)	(41,996)
Increase in other liabilities		16,111,490	635,161	63,561	156,822
Increase in provisions		182,193	224,681	43,667	92,054
Cash flows from / (used in) operations		(176,458)	1,619,089	4,149,986	(345,788)

(c)Loan Facilities

Loan facilities	28,200,000	26,200,000	20,200,000	17,180,000
Amount utilised	(28,100,000)	(25,334,480)	(20,100,000)	(16,850,000)
Unused loan facilities	100,000	865,520	100,000	330,000

The major facilities are summarised as follows:

Multi Option Fixed Interest Loan Facility

$5,000,000 loan facility. The facility expires on 30 November 2010.
The interest rate is fixed at 7.77%.

Multi Option Variable Interest Loan Facility

$23,100,000 loan facility. The facility expires on 30 November 2010.
The current variable interest rate is 4.65%

Finance will be provided under all facilities provided the company has not breached any borrowing requirements and the required financial ratios are met. The company confirms that it has complied with all borrowing requirements and met the required financial ratios during the year.

NOTE 25: KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel comprise directors of the entity and other executives.

	Notes	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Compensation received by key management personnel of the company					
- short term employee benefits		865,015	665,312	465,478	358,128
- post-employment benefits		66,140	63,123	36,906	33,696
- share-based payments		20,986	25,811	11,992	11,992
		952,141	754,246	514,376	403,816

The names of directors who have held office during the financial year are:

Robert McGavin

Paul Riordan

Leandro Ravetti

Tim Jonas

Craig Ball

Jonathan West

Timothy Smith

Kevin Roache

Robert Hance

NOTE 26: FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's policy on capital risk management has not changed from the approach taken in the 2008 financial year.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 17, 18 and 19 respectively.

Debt financing of the Group is subject to the following externally imposed capital requirements:

- Interest Coverage Ratio ((NPBT + Interest + Depreciation)/Interest)
- Net Worth Ratio ((Tangible Assets – External Liabilities)/Tangible Assets)
- Dividend Ratio (Dividends Paid/NPAT)

The Interest Coverage Ratio is calculated on a rolling average of the last four financial quarters. The current benchmark is 3.0 times. The current benchmark for the Net Worth Ratio is 31%. The current benchmark for the Dividend Ratio states that dividends payable must not exceed 50% of net profit after tax per annum.

The group satisfied all capital requirements throughout the financial year. Compliance with the above capital requirements are detailed in monthly management accounts which are reviewed on a regular basis.

Operating cash flows are used to maintain and expand the group's net asset position, as well as to make the normal outflows of tax, dividend and interest obligations. The Group's policy is to borrow centrally, using a variety of borrowing facilities, to meet anticipated funding requirements.

Gearing Ratio

The Board of Directors regularly review the capital structure of the business, based on information provided from monthly management reporting. The Group has a benchmark gearing ratio calculated as the ratio of total external debt to tangible assets. As at year end, the Group was below the said benchmark.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Total External Debt	34,715,058	30,881,800	20,100,000	16,884,839
Less: Cash and Cash Equivalents	(1,441,164)	(2,279,615)	(51,118)	(1,493,400)
Net External Debt	33,273,894	28,602,185	20,048,882	15,391,439
Total Assets	90,977,573	82,369,023	44,184,167	51,260,027
Less: Intangible Assets	(12,297,208)	(20,026,147)	-	-
Tangible Assets	78,680,365	62,342,876	44,184,167	51,260,027
Gearing Ratio	42.29%	45.88%	45.38%	30.03%

(b) Financial risk management objectives

The Group monitors and manages the financial risks relating to the operations of the Group throughout the year at meetings of the Board of Directors and key management personnel. An annual risk review involving

NOTE 26: FINANCIAL INSTRUMENTS (Continued)

all areas of the business is conducted with a report and recommendations presented to the board at the conclusion of the review. The Group has to date identified the following financial risks:

- Interest Rate Risk
- Foreign Currency Risk
- Credit Risk
- Liquidity Risk

(c) Interest rate risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates relates primarily to the Group's long term debt obligations with a variable interest rate.

The Group manages its interest costs using a mix of fixed and floating rate debt. The group has fixed a certain amount of debt with the remaining balance financed via floating interest rate.

The effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

- Trade receivables of $8,490,577 (2008: $7,052,212) and trade and other payables of $4,834,561 (2008: $3,827,471) are non-interest bearing. The trade receivables and trade and other payables are due for settlement within twelve months.
- Cash and cash equivalents of $1,441,164 (2008: $2,279,615) are deposited at a floating interest rate. For the year ended 30 June 2009 the weighted average effective interest rate is 0.92% (2008: 6.06%).
- Bank loans of $28,100,000 (2008: $25,314,480) are borrowed at fixed and floating interest rates. For the year ended 30 June 2009 the weighted average effective interest rate is 5.29%. (2008: 7.08%).
- Finance lease liabilities and hire purchase liabilities are due for repayment as disclosed in note 21.
- Director loan of $267,586 (2008: $300,000) borrowed at a floating interest rate as per Division 7A of the Income Tax Act 1997 - benchmark interest rates which is 5.75% for the 2010 financial year.

Interest rate sensitivity analysis

The following sensitivity analysis has been determined based on the economic entity's exposure to long term debt obligations. Changes in interest rates would have an effect on the interest received by the group, however, this effect is considered immaterial for the purpose of the sensitivity analysis.

The analysis has been conducted based on a 100 basis point change, either up or down, in the prevailing interest rate at the end of the financial year applied to outstanding long term debt obligations at reporting date. A 100 basis point sensitivity has been used for the analysis as this is deemed a reflective basis point variance given recent market conditions.

At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's net profit would increase/(decrease) by $231,000 (2008: $103,142).

NOTE 26: FINANCIAL INSTRUMENTS (Continued)

(d) Foreign Currency risk management

The economic entity undertakes certain transactions denominated in foreign currencies, hence exposing the Group to the risk of exchange rate fluctuations. The Group's policy is to deal in stable currencies which are actively traded in local and world markets to reduce the risk of strongly adverse movements in exchange rates.

It is the policy of the group to monitor our foreign exchange position and determine an appropriate strategy which may involve buying and selling specific amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the economic entity against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies.

At reporting date the carrying amount of the economic entities monetary assets denominated in foreign currencies were as follows:

	Assets		Liabilities	
	2009	2008	2009	2008
	$	$	$	$
US Dollars	2,693,395	6,198,821	964,227	4,244,218
UK Pounds	-	3,201	-	-
Argentinean pesos	37,351	12,303	-	-

Foreign currency sensitivity analysis

The economic entity is mainly exposed to US dollars (USD) and Argentinean pesos (ARS) through contracts for sale of olive oil to the US market where the price of the goods sold is denominated in USD. The exposure to ARS is as a result of the Group's investment in the establishment of an olive grove in Argentina. In addition, one subsidiary of the Group, Boundary Bend Estate Pty Ltd, at balance date has been determined to have a functional currency of ARS. Exposure to all other foreign currencies is incidental to the trading of the economic entity and the effect of movements in the exchange rates with these foreign currencies is considered immaterial.

The table set out below shows the impact that a 9% increase or decrease in the Australian dollar against the relevant foreign currency would have on the financial statements at reporting date. A positive number indicates an increase in profit or other equity where the Australian dollar strengthens against the foreign currency. A weakening of the Australian dollar against the respective foreign currencies would result in an equal and opposite impact on the financial statements. The stipulated movement for the sensitivity analysis of 9% has been chosen as it represents the average percentage change in the foreign currencies for the previous six years.

Economic Entity	USD Impact		ARS Impact	
	2009	2008	2009	2008
	$	$	$	$
Profit or (loss)	(58,582)	205,676	(23,453)	(40,688)
Foreign Currency Translation Reserve	-	-	174,499	863

NOTE 26: FINANCIAL INSTRUMENTS (Continued)

Parent Entity	USD Impact		ARS Impact	
	2009	2008	2009	2008
	$	$	$	$
Profit or loss	763	-	-	-
Foreign Currency Translation Reserve	-	-	-	-

(e) Credit risk management

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.
Excluding Timbercorp Ltd (In Liquidation) and associated entities, the company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

NOTE 26: FINANCIAL INSTRUMENTS (Continued)

Economic Entity	Weighted Average Effective Interest rate	Less than 6 months	6-12 months	1 to 5 years	Later than 5 years
2009	%	$	$	$	$
Financial Assets					
Non-interest bearing	N/A	8,490,577	-	-	-
Variable interest rate instruments	0.92%	1,479,768	-	228,982	-
Financial Liabilities					
Non-interest bearing	N/A	4,834,561	-	-	-
Variable interest rate instruments	5.50%	532,011	560,745	28,622,302	-
Fixed interest rate instruments	7.77%	-	-	5,000,000	-
2008	%	$	$	$	$
Financial Assets					
Non-interest bearing	N/A	7,052,212	-	-	-
Variable interest rate instruments	6.06%	2,322,472	-	257,143	-
Financial Liabilities					
Non-interest bearing	N/A	3,827,471	-	-	-
Variable interest rate instrument	8.02%	747,169	817,054	14,317,577	-
Fixed interest rate instruments	6.81%	-	-	15,000,000	-

Parent Entity	Weighted Average Effective Interest rate	Less than 6 months	6-12 months	1 to 5 years	Later than 5 years
2009	%	$	$	$	$
Financial Assets					
Non-interest bearing	N/A	1,849,298	-	-	-
Variable interest rate instruments	0.53%	89,722	-	228,982	-
Financial Liabilities					
Non-interest bearing	N/A	699,743	-	-	-
Variable interest rate instruments	4.81%	-	-	15,100,000	-
Fixed interest rate instruments	7.77%	-	-	5,000,000	-
2008	%	$	$	$	$
Financial Assets					
Non-interest bearing	N/A	4,625,285	-	-	-
Variable interest rate instruments	5.62%	1,536,257	-	257,143	-
Financial Liabilities					
Non-interest bearing	N/A	111,843	-	-	-
Variable interest rate instrument	8.24%	23,340	11,499	1,850,000	-
Fixed interest rate instruments	6.81%	-	-	15,000,000	-

NOTE 26: FINANCIAL INSTRUMENTS (Continued)

(f) Net Fair Values

The net fair value of financial assets and financial liabilities approximates their carrying values as disclosed in the statement of financial position and notes to the financial statements.
Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are:

	2009		2008	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	$	$	$	$
Financial assets				
Other financial assets	614,085	614,085	1,000,500	1,000,500
	614,085	614,085	1,000,500	1,000,500
Financial liabilities				
Other loans and amounts due	28,100,000	28,100,000	25,314,480	25,314,480
Other liabilities	6,615,057	6,615,057	5,566,256	5,566,256
	34,715,057	34,715,057	30,880,736	30,880,736

NOTE 27: CONTROLLED ENTITIES

(a) Controlled entities

	Country of Incorporation	Percentage Owned (%) 2009	2008
Parent Entity:			
Boundary Bend Limited	Australia		
Subsidiaries of Boundary Bend Limited:			
Boundary Bend Estate Management Pty Ltd	Australia	100	100
Boundary Bend Management (Boort) Pty Ltd	Australia	100	100
Boundary Bend Estate (Processors) Pty Ltd	Australia	100	100
Boundary Bend Estate Pty Ltd	Australia	100	100
Pengala Pty Ltd	Australia	100	100
Karee Pty Ltd	Australia	100	100
Boundary Bend Marketing Pty Ltd	Australia	100	100
Olive Management Pty Ltd	Australia	100	100
Cobram Estate Pty Ltd	Australia	100	100
Maqtec Australia Pty Ltd	Australia	100	100
Boundary Bend Agricultural Pty Ltd	Australia	51	-

Name of business acquired	Principal Activity	Date of Acquisition	Proportion of Shares	Cost of Acquisition $
2009:				
Boundary Bend Agricultural Pty Ltd	Agriculture	22 July 2008	51%	122,400
				122,400

On 22 July 2008, the entity acquired 51% of Boundary Bend Agricultural Pty Ltd. The cost of the acquisition was $122,400, which represents the fair value of the net assets acquired on that date.

NOTE 28: ECONOMIC ENTITY DETAILS

The registered office of the company is:

Boundary Bend Limited and controlled entities
151 Broderick Road
LARA Victoria 3212

NOTE 29: SHARE-BASED PAYMENTS

As at year end, the following share options have been granted by the company:

Director of the company	700,000
Executives of the economic entity	175,000

Options issued in the 2008/09 financial year:

No options were issued in the 2008/09 financial year.

Included under other expenses in the income statement is ($26,396) relating to equity settled share based payment transactions. This amount has been taken to equity which is disclosed in other reserves in Note 18.

NOTE 30: DIVIDENDS

Fully Franked Dividend declared - 5 cents (2008: 5 cents per share)	(a)	46,250	1,612,327	46,250	1,612,327
		46,250	1,612,327	46,250	1,612,327
Balance of franking account at financial year-end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years:					
Fully franked at 30% (2008: 30%)		3,043,932	2,654,386	-	-

(a) The dividend of $46,250 relates to the 5 cent per share dividend on new shares issued between 1 July 2009 and the record date of 10 September 2009.

NOTE 31: SUBSEQUENT EVENTS

On 12 October 2009 Boundary Bend Ltd was successful in it's bid to acquire the Timbercorp Limited (in Liquidation) groves at both Boort and Boundary Bend for $59,500,000. The assets purchased by Boundary Bend Limited include 6,012 hectares of olive groves at Boort and Boundary Bend; 26,121 megalitres of permanent water rights on the Murray and Goulburn systems; an olive processing facility located at Boort; and Timbercorp's 19.4% equity interest in Boundary Bend Limited.

NOTE 32: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The company has early adopted AASB 8: Operating Segments, issued in February 2007.

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. The directors have not yet assessed the impact of these standards or interpretations.

AASB 3	Business Combinations (Operative from 1 July 2009)
AASB 101	Consolidated and Separate Financial Statements (Operative from 1 July 2009)

BOUNDARY BEND LIMITED
ABN 32 115 131 667

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages8 to 61, are in accordance with the *Corporations Act 2001*:

   (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and

   (b) give a true and fair view of the financial position as at and performance for the financial year ended on that date of the economic entity.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ______________________________

Robert McGavin

Director ______________________________

Paul Riordan

Dated this 29 day of October 2009.

Deloitte.

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Independent Auditor's Report to the members of Boundary Bend Limited

We have audited the accompanying financial report of Boundary Bend Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 8 to 62.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Boundary Bend Limited is in accordance with the *Corporations Act 2001*, including:
  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants
Melbourne, 29 October 2009