Boundary Bend Limited and controlled entities

ABN 32 115 131 667

Financial report
For the year ended 30 June 2015

BOUNDARY BEND
LIMITED
Australia's premier olive company

Dear Shareholders

Owning and nurturing 2.2 million olives trees spread across 10,000 hectares of land in Northern and Central Victoria comes with some challenges, but this is what makes our business so special. We live by the motto "every olive matters" and our grove staff led by Ryan Norton and Leandro Ravetti devote their lives to ensuring each olive tree is kept in excellent condition and managed with care. This is so we can grow as many healthy olives as possible that are fresh and pristine at the time of harvest. You may think that this is a strange way to introduce our annual report, but our future is bright because of these fundamentals. Fresh, healthy olives produce the highest quality olive oil because the oil is actually infused with the goodness of the olive fruit when it is crushed. High quality olive oil makes your food taste better and is better for you. Consumer preferences with regards to food safety/ traceability, real foods and health are strong and getting stronger. This is especially important in a category like olive oil which unfortunately is one of the most adulterated foods in the world.

Our story is compelling and importantly consumers love it!

- Founded by two college friends, who are still the largest shareholders
- Australian owned, fully vertically integrated with complete product traceability – tree to table
- Natural, clean food with proven health benefits
- More awarded for quality than any other olive oil
- Widely accessible for consumers at an affordable price

There were many highlights during the year including

- Record harvest of 13.8m litres
- Trading profit before tax of $21.1m
- Completed our first Californian harvest and advanced implementation of our USA business strategy
- Implemented a comprehensive healthcare professional education program
- Unprecedented show success from the 2015 harvest including:
    - Most successful entrant in the New York International olive oil competition for the 3rd year in a row
    - Champion oil of show at Sydney Fine Food Show and Perth Royal Show
    - Best product in Victoria at Melbourne Royal Agricultural Show
- Global olive oil stocks are at record lows and prices have risen sharply over the past 12 months.

<u>Where will our future growth come from?</u>

Boundary Bend Limited is focused on 4 core growth opportunities:

- Increasing farm gate return per litre by educating health care professionals, media and consumers about the superior value of Cobram Estate (health and flavour benefits), due principally to the fresh olives that produce materially higher levels of health components.
- Building our vertically integrated business in the USA to have a strong retail brand presence. The USA market (which consumes 10 times the volume of that of Australia) offers great opportunity for both Australian and USA produced high quality Extra Virgin olive oil.
- Maturing orchards and new plantings. Boundary Bend's trees are still maturing and in addition we are planting a further 200,000 trees on 450ha at Boort in March 2016.
- Value adding waste streams – after the olive oil is pressed from the olives the resultant waste has many components that, if cost effectively separated, have value for use in industries such as energy, stock foods, pharmaceuticals and cosmetics. Historically, this waste has been a cost to the business but Boundary Bend is funding extensive research and believes this can become a

profit centre in the future. This is certainly not a short term undertaking, but the rewards should be significant if we get this right.

Results

The consolidated entity's (Boundary Bend Limited) 2015 profit after tax is $14.43 million compared with last year's profit after tax of $0.49 million.

The trading profit before tax was $21.158 million, which was predominantly driven by the larger 2015 crop of 13.8 million litres (see detailed explanation below), compared with 8 million litres in 2014.

Year ending 30 June	2015 ($'000)	2014 ($'000)
Trading profit/(loss)	21,158	(1,678)
Impairment of non-current assets	(34)	(107)
Income tax (expense) / benefit	(6,691)	2,276
Profit/(loss) after income tax expense	**14,433**	**491**

Boundary Bend had positive operating cashflow[1] of $5.975 million for the 2015 financial year.

As previously explained, Boundary Bend's full year trading result in any one year is substantially impacted by the volume of oil produced from each year's harvest. Under the Accounting Standard AASB 141 "Agriculture" (with which Boundary Bend must comply), the oil is required to be measured at fair value less the anticipated selling costs. This means that the expected profit or loss relating to the sale of oil is recognised in the year of harvest, as opposed to when the oil is actually sold. Cash from the oil is generated as the oil is sold, meaning that profit does not align with the company's cash flows. Therefore, the actual cash profit from the 2015 oil production will be realised when it is sold. If the oil is sold for a higher price than the value attributed to the oil at 30 June 2015 then the increased amount is recorded in the year of the sale. The reverse happens if the oil is sold for less than the value attributed at 30 June.

As at 30 June 2015 the company had gross assets of $262.1 million and net assets of $148.4 million. The net assets per share increased from $2.60 at 30 June 2014 to $2.71 at 30 June 2015.

Boundary Bend engaged an external valuation company, CBRE Valuations, to undertake a valuation of the fair value of the olive groves and processing plants at Boundary Bend and Boort, and the bottling facility at Lara as at 30 June 2015. The external valuations support the carrying value of the assets.

It is also worth noting that as part of the gross asset value, the Cobram Estate and Red Island brands are carried at cost ($6.35 million), despite generating gross sales for the year to 30 June 2015 of $67.3 million.

Boundary Bend is pleased to announce that on 31 August 2015 it signed a credit approved term sheet to increase and extend its existing debt facilities with the Commonwealth Bank of Australia. The general terms of the facilities will be similar to the existing facilities, and all facilities will be in place for a period of 5 years from documentation. Once documented, Boundary Bend will have the following 5 year facilities:

- Core Debt — A$58.0 million
- Working Capital Debt — A$16.0 million ($12.0 million of this available from 1 February 2016)
- US Debt — US$10.5 million

[1] Operating cashflow is the cashflow generated from operating activities and therefore excludes items such as capital expenditure, debt repayment, equity raising and dividends.

EXECUTIVE CHAIRMAN'S REPORT

Future Earnings

Boundary Bend's profitability correlates closely with its total olive oil production each year and the price we achieve when selling that olive oil. Operating costs are generally fixed and predictable and therefore any movement in gross revenue has a significant impact on profitability. The gross revenue relating to our olive oil is impacted by several factors including global production, foreign exchange rates, global and domestic demand and the retail environment.

Accurately estimating next year's oil production is a difficult process due to the scale of the groves and the many assumptions that need to be incorporated about future seasonal conditions and their impact on fruit numbers, weight and oil content at the time of harvest. More than anything the variability of our profit is driven by fluctuating yields.

Therefore, because accurately forecasting our annual crop and hence forecasting full year profit is very difficult and likely to be misleading, we will not be providing a forecast for the coming year.

However, we note that we expect the crop this coming year to be lower than the 2015 crop due principally to the biennial bearing nature of the trees in response to the large 2015 crop.

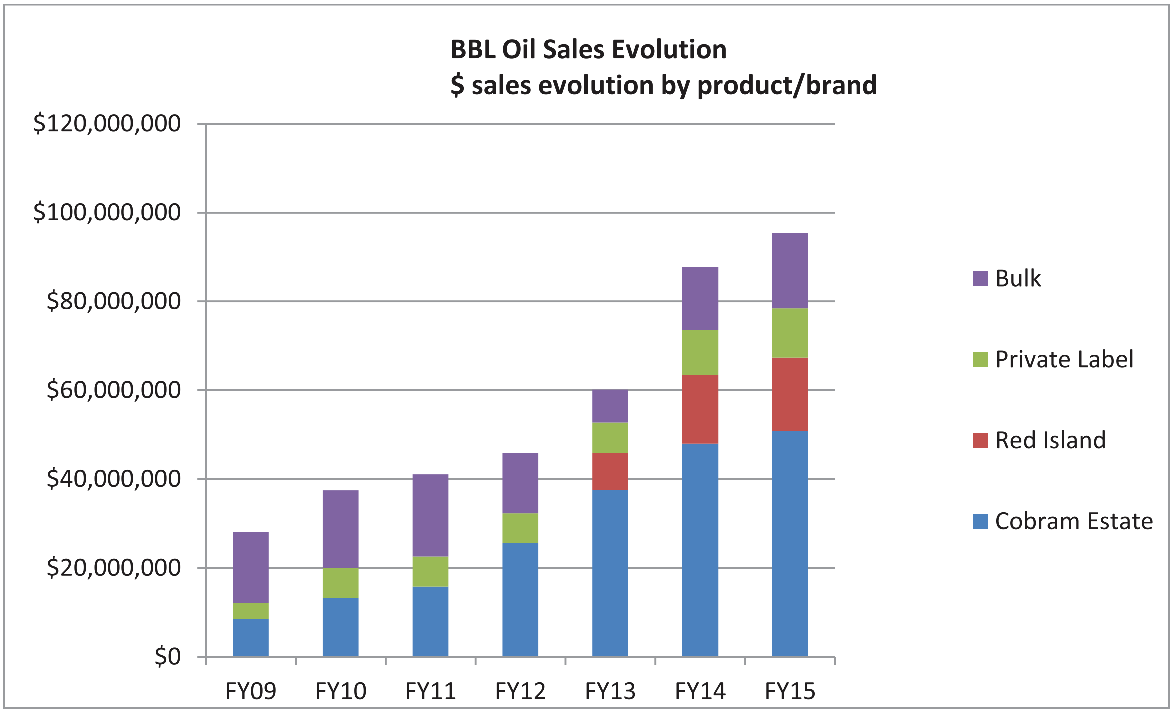
Dividend

It is the Board's intention to pay an un-franked dividend of 10 cents per share in February 2016 (the same period as last year). Further details including the record and payment date will be announced at the AGM on the 23 October 2015.

FY2015 Sales Summary

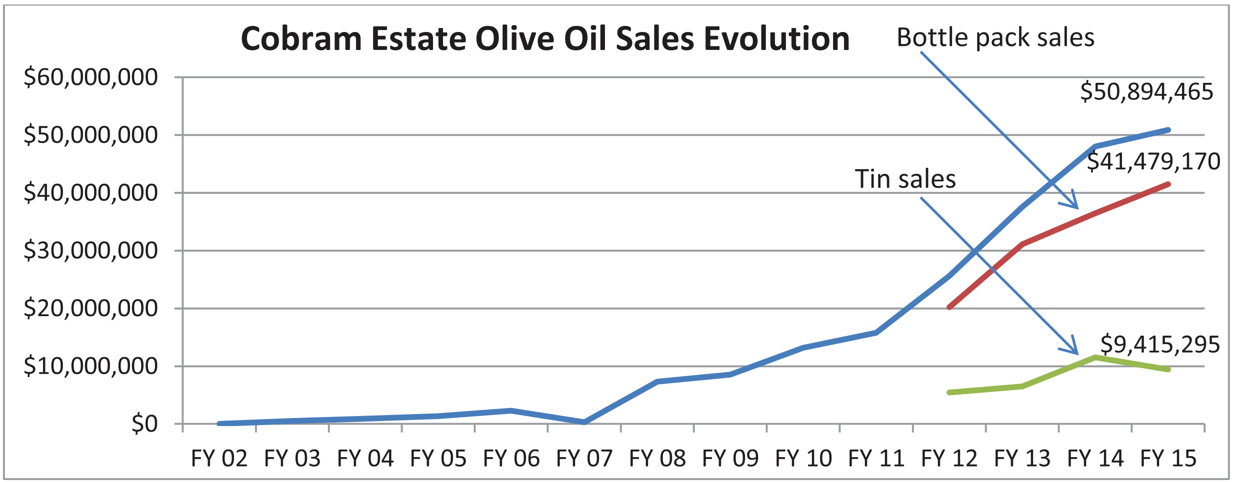
Boundary Bend oil sales grew 8.74% in value terms for the year ending 30 June 2015, with sales totaling $95 million, up from $87.8 million in the previous year. This result was very pleasing considering the poor 2014 harvest. Packaged goods revenue grew to $78.4 million (82% of total) whilst sales of bulk oil (containers 1,000 litres plus) totaled $17.0 million (18% of total).

EXECUTIVE CHAIRMAN'S REPORT



Source: BBL, September 2015

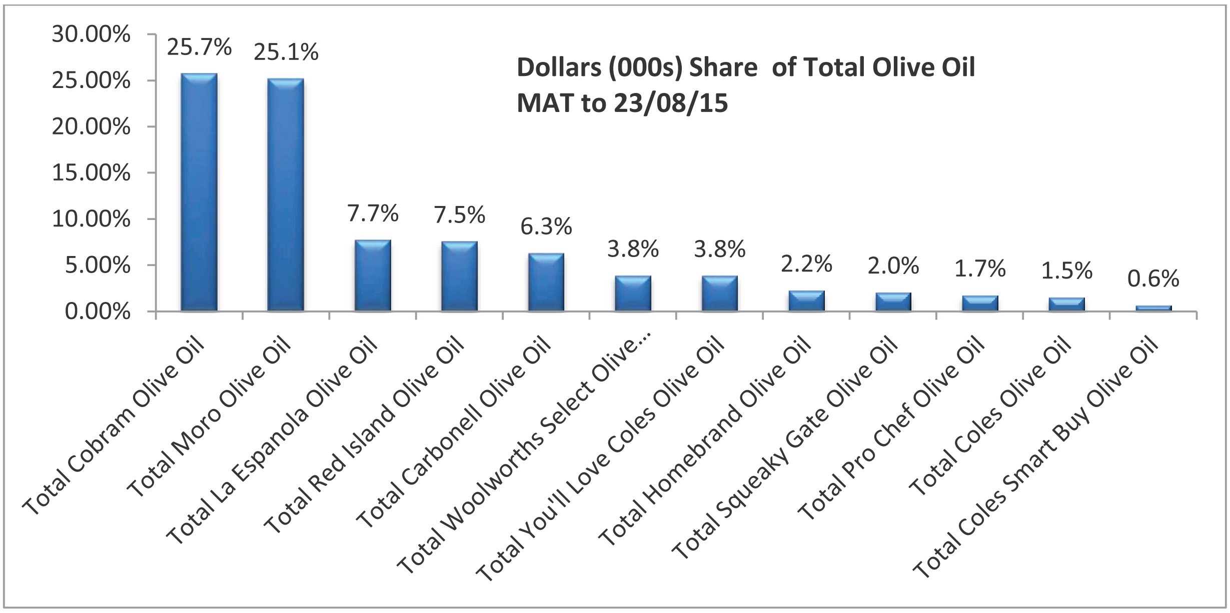
Cobram Estate finished the year with total sales of $50.9 million, up 6% on the previous year. A summary of the evolution of Cobram Estate sales can be seen in the following chart. Red Island achieved sales of $16.5 million up 7.1% on the previous year. Please note we have deliberately shifted our sales emphasis away from larger format packs to more profitable retail sizes such as 1 litre and below. This has had the effect of reduced revenue growth but increasing returns per litre.



Source: BBL, September 2015

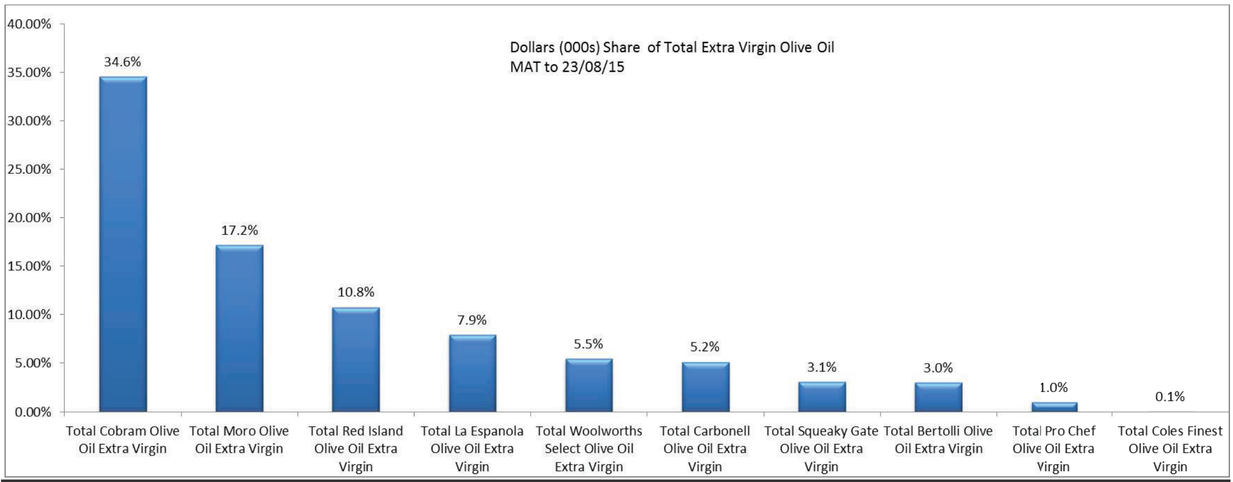
Boundary Bend's brands are currently ranked #1 and #4 by value in the total Australian olive oil category (including sales of refined olive oils) Cobram is now ahead of Moro for the first time as indicated in the table below.

EXECUTIVE CHAIRMAN'S REPORT



Source: Aztec, September 2014 (note: MAT = Moving Annual Total)

In the extra virgin category, Cobram Estate is ranked #1 by value and Red Island #3 by value.



Sales update since 30 June 2015

Sales have continued to remain strong, with finished goods contributing sales of $13.2m from 30 June to 28 August 2015.

Some of this performance has been driven by new listings for Red Island but most has come from continued momentum.

EXECUTIVE CHAIRMAN'S REPORT

Marketing update

Across the 4 months from November 2014, Cobram Estate reached over 3.5 million Australians with a print campaign focused on providing meal inspiration ideas on the Infused range. The campaign increased sales of Lemon and Garlic products by +7.7% during this period. In addition, more Australian homes are now buying the range (compared to the prior fiscal year). See below some of the print ads that were run during this period.

Source: Aztec, August 2014 (Fiscal Year ending 30 June 2015)

During Boundary Bend's 2015 harvest 30 key Australian media and other influencers were invited to the Boundary Bend grove to learn more about the health benefits and usage of Extra Virgin Olive Oil. This almost doubled our exposure from last year with media mentions reaching over 3 million consumers.

versatile ingredient

Your good health

The great news of extra virgin olive oil (EVOO)

Consuming around two tablespoons of extra virgin olive oil a day can help lower your risk of:

- Heart disease
- High blood pressure
- Obesity
- Type 2 diabetes
- Osteoporosis
- Rheumatoid arthritis
- Immune deficiency
- Certain cancers
- Stroke
- Depression

To reap these health benefits, however, you need to use the top-shelf stuff. The higher the quality, the better for your health and tastebuds. EVOO is made from the pure juice of the ripe olive fruit, 'cold pressed' and bottled within hours of picking.

Australian EVOO consistently ranks among the best in the world, thanks to our ideal climate, growing conditions and superior standard of industry excellence. Specific aromas and flavours are unique to particular regions, so experiment to find an EVOO for you.

But isn't extra virgin olive oil just... fat?

Absolutely. It's pure, unadulterated mono-unsaturated fat that's actually good for you! Many essential vitamins and minerals need fat to help them do their job. Our skin, hair and nails thrive on it. As for weight loss, fat helps rather than hinders because it promotes that all-important sense of satiety.

Which oil for what?

Defining the meaning of 'light', 'classic' and 'robust' labels

- **'Light' EVOOs** aren't light in fat, just lighter in flavour. They're a great choice when you're making cakes, cooking fish or deep-frying – yes, you can deep-fry in Australian EVOO (this was news to us too!). As long as you don't heat it above 210°C, you can safely fry away without destroying its heathy antioxidants or creating any nasty trans fats.
- **'Classic' flavoured EVOOs** are a great all-rounder. They have a slightly stronger flavour than a 'Light' EVOO, making it a good option for almost anything. You can deep-fry in it, pan-fry with it and use it to make salad dressings and sauces.
- **'Robust' EVOOs** are very pungent, with fresh grassy flavours being the predominant profile. This liquid gold is best used in dressings, drizzled over a bowl of pasta or served with fresh bread for dipping.

What to look for

To ensure you're buying the best, look for the words 'extra virgin' and 'cold pressed' on the label. Cold pressed means no heat or chemicals were used during extraction. Choose EVOO in dark glass bottles, not plastic. Avoid inferior-quality oils that aren't labelled as extra virgin and those that may boast being 'extra light', 'light', 'pure' or 'refined'. A good EVOO will often state its harvest date on the label. It won't be inexpensive either – but your health is worth it!

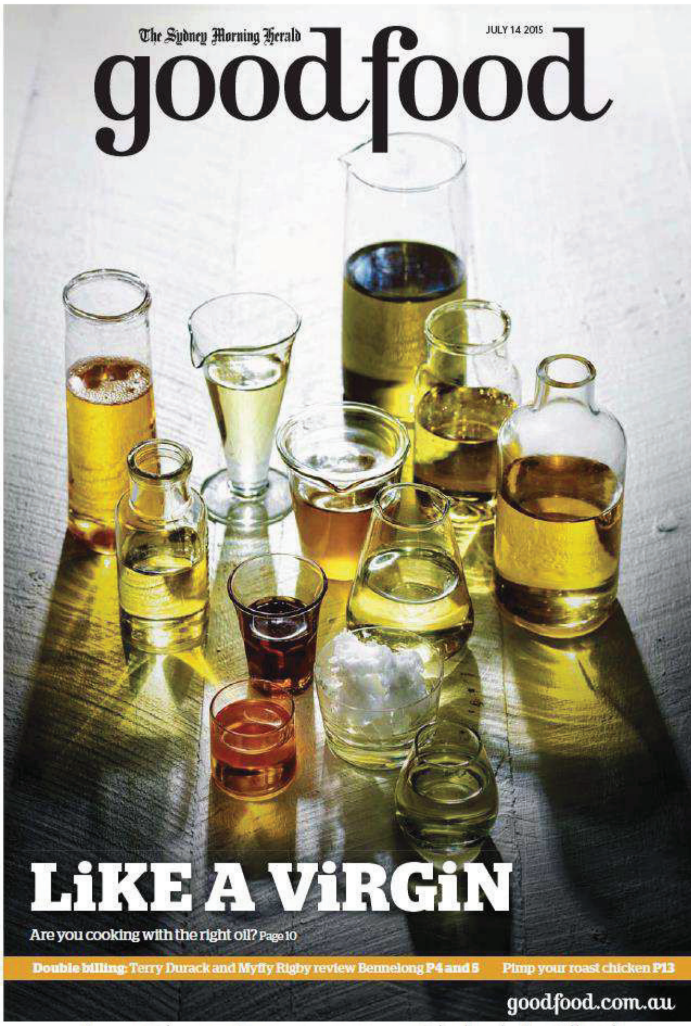
Storage tips

EVOO is not like a good wine that improves over time; in fact, it's quite the opposite. Instead, think of EVOO as a fresh juice, which means the fresher the better. A good-quality EVOO will remain shelf stable for around a year but must be kept in a cool, dark place away from light and heat. If you haven't used yours within a year, it's time to reinvest.

Alternate uses

EVOO is a great way to oil your wooden chopping board. Massage in an amount of oil, then leave the board to stand for two hours before washing off with soapy water. This will prevent your board from cracking and staining. Out of the kitchen, if you want to avoid chemical products and go au naturel with your beauty regimen, a little EVOO acts as a wonderfully decadent moisturiser. You can also use it to condition your hair; simply apply a few drops to dry ends and leave for a few hours before washing out with regular shampoo.

EXECUTIVE CHAIRMAN'S REPORT



cover story

peter barrett

Solving the oil crisis

All oils aren't equal. With so many on the shelves to choose from, which should you use for which kind of cooking?

With Australian olive oil growers all but squeezing the last juice out of this year's crop, now is an excellent time to consume it, since it should be eaten as fresh as possible.

I love dipping bread into a good quality extra virgin olive oil but I'm using it for shallow-frying, too. I even used it for deep-frying recently but the price (and reduced health benefits – antioxidants start to disappear when you raise the temperature) are prohibitive when you look at all the other oils available.

My interest in oils started with a radical new way of frying chips, gleaned from Nigella Lawson's *Nigellissima* series. She cuts fat potato chips, dries them with a tea towel and places them in a pan with cold sunflower oil. She then heats to a rolling boil, stirring occasionally to prevent burning and sticking, adding garlic and other herbs for flavour when they're nearly done.

It was a revelation. My chips were great: crisp and golden on the outside with a fluffy interior. But even though she claims the cooking method results in very little oil being absorbed by the potatoes – apparently due to the temperature, rather than the cooking time – I didn't quite believe it. Plus, the sheer volume of oil I was going through spooked me (there are places you can dispose of your oil, by the way – check with your local council – and never pour it down the sink). But the health question mark continued to niggle. Should I really be feeding this stuff to my kids? What are the health issues with oils and how do they differ?

Even a cursory internet search on this topic can lead you down a rabbit hole of scientific claims and counterclaims. So, with that in mind, I put together a list of common culinary oils, how best to use them in the kitchen and some tips from nutritionists, including author Catherine Saxelby (see her foodwatch.com.au website) and Associate Professor of Dietetics and Human Nutrition at Latrobe University, Catherine Itsiopoulos. Finally, some scientific help came from Rod Mailer, a research fellow with Charles Sturt University and Chakra Wijesundera, a research fellow with the CSIRO. Thanks also for help from Beth Scholes at the Heart Foundation.

BUT FIRST …
Some general principles

Refined oils are more stable and better suited to high-temperature cooking such as deep-frying than unrefined (mechanically

A GROWING TASTE FOR THE GOOD OIL

Australian olive oil makers are beating traditional producers at their own game

ALICIA BARKER

FOOD

It's a chilly Wednesday afternoon in regional Victoria, and I'm gliding over one of Australia's best olive groves. The hum of the harvester surrounds me while, below my feet, some of Boundary Bend's finest fruit are shaken from its branches to produce one of Australia's most acclaimed olive oils.

While Italy is known as the home of olive oil, local groves have been producing the liquid gold for years and winning awards the world over.

Collectively, Australians use about 45 million litres of olive oil a year, or 2.1 litres a person annually, making us the largest consumers of olive oil outside the Mediterranean. But Australians are likelier to buy cheaper imported oil from Europe than purchase a homegrown product.

Extra virgin olive oil is made simply by crushing olives and extracting the liquid. Unrefined, unheated and free from chemical solvents, it's really more a fruit juice than an oil. To qualify as extra virgin, the oil must be free from defects, undergo a test for its oleic acid content, and satisfy a trained tasting panel on its fruitiness, bitterness and pungency.

Australian olive oils are becoming a hit overseas. Local producer Alto Olives, based near Crookwell in NSW, and Cobram Estate, which has groves in Boundary Bend and Boort in Victoria, took out four best in class awards at the New York International Olive Oil competition this year. Australian oils from Cape Schanck Olive Estate and Camilo Olives won gold and silver medals, beating traditional producers from Greece and Italy at their own game.

"An award-winning oil is a healthy oil," says Cobram Estate chief executive Rob McGavin, a champion of Aussie olive oil.

Cobram uses mechanical harvesters that shake the olives from the trees, meaning they are harvested fresh and the trees suffer less damage than they would from manual harvesting. This modern technique keeps prices competitive. Olives are processed on site and cold pressed within six hours of harvest, something that often isn't possible in mass olive oil production.

McGavin says our taste for olive oil has developed rapidly during his 17 years in the business. Consumption of local olive oil has risen from about 6m litres in 2006 to just under 15m litres last year.

"When we started there was basically no domestic production and so it was all imported," says McGavin. "The whole market's grown but particularly the Australian market's grown the fastest."

This rise in popularity can be put down, in part, to an increased knowledge of the health benefits of fresh olive oil. Extra virgin olive oil contains high levels of antioxidants, compounds in foods that neutralise cell-damaging free radicals linked to heart disease and cancer. Cold pressing olives soon after harvest makes for a healthier oil, retaining more of these antioxidants as well as a stronger flavour.

Research led by Mary Flynn at Rhode Island's Brown University in the US revealed people raised on a diet that included EVOO had lower rates of most chronic diseases, including cancer, heart disease, arthritis and type two diabetes. The research found people who included EVOO in their diet showed decreased risk factors for chronic diseases such as high blood pressure, high blood levels of glucose and insulin, and blood clots, and it might even aid weight loss.

While the general health benefits of extra virgin olive oil are reasonably known to the average

EXECUTIVE CHAIRMAN'S REPORT

it's a kind of magic

Extra

So good you should drink it, now's the time to begin your daily love

What if there were an ingredient that was both wonderfully delicious and oh-so-good for you at the same time? Something so subtle it could be adapted and consumed in countless ways, yet powerful enough to take your wellbeing to soaring new heights? Well, you can stop looking because we've found it!

Nectar of the gods

It's extra virgin olive oil. Australia's olive harvesting season is coming to a close, meaning the new season of extra virgin olive oil (EVOO) is about to hit our supermarket shelves – and we're super excited to begin using it for cooking, baking dipping and drizzling!

While its rich depth of flavour is unparalleled, the greatest gift of EVOO is actually bestowed outside the kitchen. A rich source

Cooking with olive oil: some like it hot

May 15, 2015

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Life & Style reporter
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Liquid gold: Searching for the good oil.

Awards

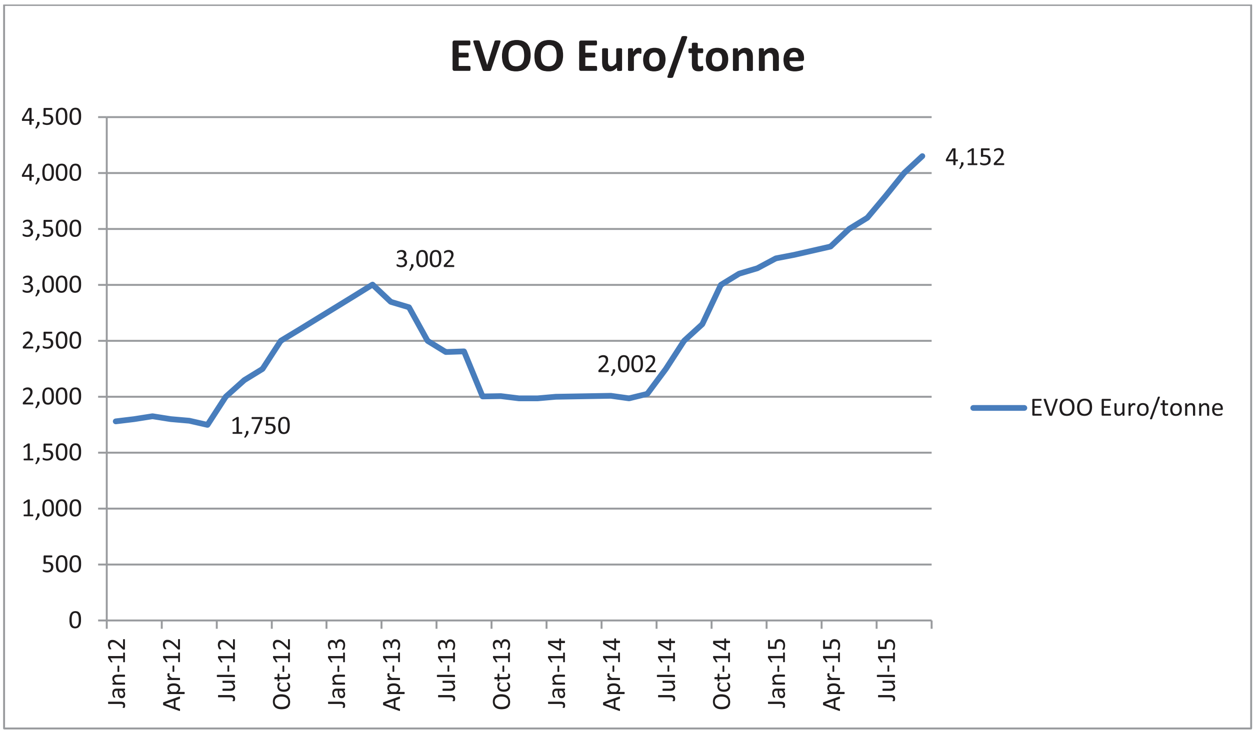
Cobram Estate continues to receive numerous awards for producing outstanding quality olive oils. In the 2015 New York International Olive Oil Competition (the world's most important olive oil competition), Boundary Bend received 5 Gold medals and 2 Best in Class trophies (champion in the category's submitted) which made us the most successful exhibitor for the 3rd year in a row. In local competitions, Boundary Bend's Cobram Estate Hojiblanca received a Champion oil of show award in Sydney Fine Food Awards as well as the Perth Royal Show. The Hojiblanca also won a trophy for "best product" against more than 1,700 products entered into the Melbourne Fine Food Awards.

Educating Healthcare professionals

In 2015, Cobram Estate launched a comprehensive health professional education program. The program has entailed an event road show at key health professional events, strategic alignments with healthcare professional organisations, education campaigns (on-line and face-to-face) and a detailed and focused public relations and media campaign with key health influencers in Australia. To further support the campaign, evidence-based data and a detailed health professional web page and blog have been developed.

<u>Global extra virgin olive oil prices</u>

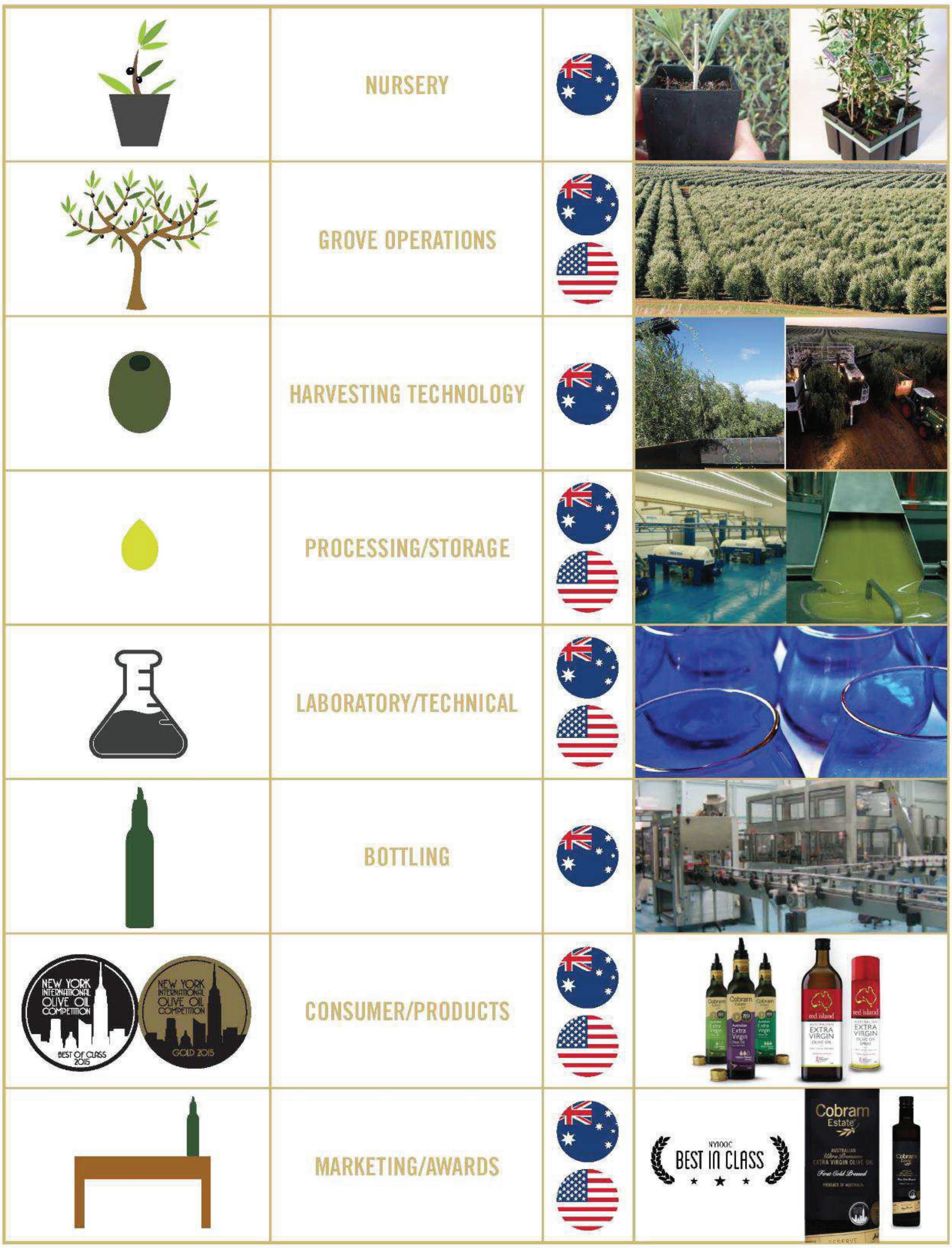
Poolred (a leading global price indicator) has moved up dramatically in the past year or so providing a positive environment for exports and increasing price pressures on imports.



Source: Poolred.com 2012-2015

EXECUTIVE CHAIRMAN'S REPORT

OUR INTEGRATED BUSINESS



Australian business

Nursery and Technical Advice (trading as Modern Olives)

- Modern Olives has a specialist olive nursery based at Lara with 39 different varieties in its collection. It predominantly supplies trees to our own groves and 3rd party commercial growers.
- Modern Olives has a technical team that provides horticultural and olive specific technical advice to many of the leading olive developments in the world.
- Modern Olives has an ISO accredited commercial olive oil laboratory at Lara, and is in the process of obtaining ISO accreditation for its USA laboratory at Woodland, California. The laboratories are primarily used for quality assurance, labelling compliance, authenticity and many different internal and external research projects. External clients include growers, oil traders, retailers, marketers, researchers and government organisations.

Groves

Boundary Bend owns 10,000 ha of land of which 6,021 ha are planted on 3 different sites in central and Northern Victoria.

- Boundary Bend's weighted average age of trees is 9.8 years.
- 38.6% of Boundary Bend's groves are aged 8 years or less. Olive trees typically do not reach yield maturity until years 8 to 10.
- Boundary Bend continues to invest in a new planting and/or replacement program with 36,991 new trees planted in 2010, 95,082 planted in 2011, 22,558 planted in 2012, 99,898 planted in 2013, 80,000 in 2014 and another 49,000 in spring 2015.
- We currently purchase the groves' water requirement on the temporary water market.
- Boundary Bend is generally recognised as being one of the lowest cost and highest quality producers of extra virgin olive oil globally.
- Boundary Bend commands an overwhelming share of Australia's olive oil production (~60%).

Harvesting, Milling, Storage, and Bottling

- Boundary Bend owns 21 colossus harvesters, 31 fruit trailers and 34 tractors.
- Boundary Bend has state-of-the-art milling facilities at 2 locations (Boundary Bend and Boort) with combined production capacity of ~98 tonnes of olives per hour: These on-site facilities are critical to producing high quality olive oil.
- There is 13.5 million litres oil storage capacity in custom designed stainless steel tanks:
  - 1.7 million litre capacity at Boundary Bend Estate
  - 4.8 million litre capacity at Boort Estate
  - 7.0 million litres at Lara.
- By controlling all of its own harvest, milling and storage facilities, Boundary Bend can produce award winning oil and is not forced to sell it on the spot market post-milling. This also gives Boundary Bend the ability to meet customer quality demands and orders throughout the course of the year.
- Boundary Bend operates an oil filling and packaging plant at its Lara facility:
  - In addition to Cobram Estate, Red Island and other branded productions, Boundary Bend also contract packs private label products for 3rd party retailers.
  - Computer systems are in place that track oil from grove to the bottle
  - The bottling line has the capability to fill up to 12,000 units per hour.

USA

The USA is the fourth largest market in the world for olive oil consumption. Since 1984/85, the consumption of olive oil in the USA has grown from 45 million litres per annum to over 340 million litres per annum. However, US-grown olive oil only equates to 3.8% of total consumption because it is limited by supply. Boundary Bend's Australian groves produced more olive oil than the entire US production in 2015.

On the 30 June 2014 we settled on an 8.8 acre commercial site for US $1.985m in the City of Woodland, California which is about 20 minutes drive north of Sacramento, and approximately 1 hour east of San Francisco. The site includes 3 acres of shedding. In readiness for the northern hemisphere harvest (October/November) we have almost completed Phase 1 refurbishment / fit out including a laboratory, office, milling operation, and oil storage facility. The site will allow for additional expansion as production increases, with Phase 2 and 3 of the build-out forecast for 2017/18.

We believe we can replicate, in the USA, the success of our Australian integrated business, with the key difference being we anticipate the majority of our fruit supply will be from 3rd party Californian olive farmers.

We are developing some excellent relationships with local farmers and will be planting trees in March 2016 under a number of different commercial arrangements. The majority of these new plantings replicate our successful medium density Australian olive production model and olive varieties to complement California's super high-density production model. The counter-seasonal production of olives in the USA will enable Boundary Bend to make better use of its technical, growing and processing staff expertise throughout the year.

The CEO of our US operations is Adam Englehardt. He now has 7 full time staff. Adam is a Californian resident with a farming background who is a highly respected olive production specialist. Prior to joining Boundary Bend he led the development of some of the leading US olive groves. Boundary Bend has also been fortunate enough to attract an experienced sales and marketing team lead by Lucini[2] founder Daniel Graeff. Daniel has joined the board of the Boundary Bend USA operation and has engaged a national sales manager and a national marketing manager, both formerly of Lucini.

The USA business is 100% owned by Boundary Bend Limited.

AGM

Please be advised that the Annual General Meeting of shareholders will be held at 151 Broderick Road, Lara on Friday the 23rd of October 2015, 10.30am coffee for an 11.00am start. A formal notice of meeting will also be posted to shareholders.

In closing, I would like to thank our loyal and dedicated staff and directors. I would also like to sincerely thank shareholders for their continued support.

If you have any questions please call me on 0418 955 363 or email r.mcgavin@boundarybend.com

Kindest regards

Rob McGavin

Executive Chairman

[2] Lucini was founded in 1997 and was a successful premium priced brand, which sold high quality Italian Extra Virgin Olive Oil

DIRECTORS' REPORT

The Directors present their report together with the financial report of Boundary Bend Limited and controlled entities for the year ended 30 June 2015 and auditors report thereon.

Directors names

The names of the Directors of Boundary Bend Limited in office at any time during or since the end of the year are:

Robert McGavin
Paul Riordan
Leandro Ravetti
Tim Jonas
Craig Ball
Jonathan West
Timothy Smith
Matthew Bailey
Samuel Beaton (Appointed 15 January 2015)

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

Company secretary

Samuel Beaton

Results

The profit of the consolidated entity for the year after providing for income tax amounted to $14.4 million (2014: $0.5 million profit). For detailed comments in relation to the result of the consolidated entity during the financial year, please refer to the Executive Chairman's report.

Review of operations

For detailed comments in relation to a review of operations of the consolidated entity during the financial year and the results of those operations, please refer to the Executive Chairman's report.

Significant changes in state of affairs

In May 2014 the consolidated entity announced to Shareholders its expansion strategy into the USA, and the intention to replicate its vertically integrated olive oil business in the USA. On 30 June 2014 the consolidated entity purchased a commercial site in Woodland, California for US$1.985 million, that will be developed into an olive oil testing laboratory and processing facility with bulk storage. The consolidated entity has continued to expand this business throughout the year ending 30 June 2015. The USA business and entities are 100% owned by Boundary Bend Limited.

Principal activities

The principal activities of the consolidated entity during the year were the production and marketing of olive oil in Australia and the USA.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely developments

For further comments in relation to the likely developments please refer to the Executive Chairman's report.

Environmental regulation

The consolidated entity's operations are subject to environmental regulations under the laws of the Commonwealth and of a State or Territory.

The consolidated entity 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.

DIRECTORS' REPORT

Dividends paid, recommended and declared

On 25 October 2014, the directors declared a partially franked dividend of 10 cents per share to the holders of fully paid ordinary shares in respect of the full-year ended 30 June 2014, that was paid to shareholders on 13 February 2015 (record date 30 January 2015). A Dividend Reinvestment Plan (DRP) was offered to shareholders. A total of 16,783,164 shares participated in the DRP, representing a reinvestment of $1,622,290.40 through the issue of 506,929 new shares.

Information on directors

Robert McGavin	Age 46
Experience	Rob is a co founder of the BBL Group and has extensive experience in the agribusiness sector. He is directly involved in a large scale vineyard in South Australia, a grazing operation in Western Queensland, a cropping and grazing operation in South Western Victoria, as well as Boundary Bend Ltd's development and management. Rob is also a board member of Marcus Oldham Agricultural College.
Special responsibilities	Rob is the Executive Chairman of Boundary Bend Ltd.
Paul Riordan	Age 43
Experience	Paul Riordan has extensive experience in the olive industry having worked in the industry since 1996 and is a co founder of the Boundary Bend Group. He currently oversees the operations of the olive groves and the manufacturing of the olive harvesting equipment. Paul was also appointed as a Non-Executive Director of Select Harvests Limited on 2 October 2012.
Special responsibilities	Paul is the Executive Director of Boundary Bend Ltd.
Leandro Ravetti	Age 42
Experience	Leandro joined the Boundary Bend group 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 of varieties, olive cultural practices, olive oil processing and oil chemistry. Leandro is highly valued and respected within the Boundary Bend Group and a great resource for the Australian Olive industry.
Special responsibilities	Leandro is the Technical Director of Boundary Bend Ltd.
Tim Jonas	Age 69
Experience	Tim is a former partner and National Chairman of Pitcher Partners. 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. His qualifications include a Master of Business Administration (University of Melbourne), Bachelor of Commerce (University of Melbourne) and Fellow of the Institute of Chartered Accountants in Australia.
Special responsibilities	Tim is the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee.
Craig Ball	Age 59
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 from the University of Adelaide. He worked for international Chartered Accounting firms before joining the stockbroking industry.
Special responsibilities	Craig is a member of the Audit and Risk Committee and the Chairman of the Remuneration Committee.
Jonathan West	Age 58
Experience	Professor Jonathan West is founding Director of the Australian Innovation Research Centre. Prior to assuming his current appointment, Professor West spent 18 years at Harvard University, where he was Associate Professor in the Graduate School of Business Administration. Jonathan has served as a consultant to and a board member of major corporations around the world and as an advisor to several governments, particularly in the fields of agribusiness, innovation policy and economic development. His doctoral and masters degrees are from Harvard University, and he holds a Bachelor of Arts majoring in history and philosophy of science from the University of Sydney.
Special responsibilities	Jonathan is a member of the Remuneration Committee.
Timothy Smith	Age 41
Experience	Tim joined the Company early in 2004 to head up the consolidated entity's sales and marketing activities. Tim's qualifications include a Bachelor of Agricultural Economics from the University New England, Armidale. Prior to joining Boundary Bend Limited, Tim was the Food and Beverage Program Business Development Manager at Austrade in New York. Prior to joining Austrade, Tim worked as an export trader and supply management coordinator for Elders Limited, one of Australia's largest agribusiness companies.
Special responsibilities	Tim is the Sales and Marketing Director of Boundary Bend Ltd.

DIRECTORS' REPORT

Matthew Bailey Age 40

Experience: Matthew Bailey was the Founding partner and Managing Director of Junior, an advertising agency located in Brisbane and Sydney. He is also a director of DHD Surfboards, Harajuki Gyoza and Nitrogenie. Matthew's qualifications include a Bachelor of Commerce degree from the University of QLD. Matthew spent 3 years as an Account Director at Lowe Lintas London, an international marketing and communication company and has extensive experience in the FMCG category, working with brands such as Golden Circle, Parmalat and Unilever. At the age of 33 he was voted by leading industry magazine AdNews in their top 40 Australian advertising/marketing people under 40 years of age (Top 40 Under 40).

Samuel Beaton Age 39

Experience: Sam joined the Company in August 2009. Sam has over 15 years' experience in both corporate finance and accounting. Sam began his career with KPMG, where he qualified as a Chartered Accountant and since then has held senior management roles within corporate finance. Sam has wide experience in financial modelling and analysis, management of corporate debt, capital raising, business planning and strategy. Sam has a Bachelor of Commerce (Accounting and Finance) and a Bachelor of Science (Industrial Organic Chemistry) from the University of Melbourne.

Special reponsibilities: Sam is the Chief Financial Officer, Chief Operating Officer and Company Secretary of Boundary Bend Limited.

Meetings of Directors

Directors	Directors' meetings		Audit & risk committee meetings		Remuneration committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Robert McGavin	7	7	-	-	-	-
Paul Riordan	7	6	-	-	-	-
Leandro Ravetti	7	7	-	-	-	-
Tim Jonas	7	4	3	1	2	2
Craig Ball	7	7	3	3	2	2
Jonathan West	7	6	-	-	2	2
Timothy Smith	7	6	-	-	-	-
Matthew Bailey	7	4	-	-	-	-
Samuel Beaton	3	3	-	-	-	-

Options

3,900,000 options over unissued ordinary shares in the consolidated entity were granted during the financial year ended 30 June 2015 (2014: 927,083).

During the year 2,450,000 options were exercised. Since year end, no options have been exercised, no options have lapsed and no further options have been granted. The consolidated entity has 6,677,083 options on issue as at 30 June 2015.

Remuneration report

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of Boundary Bend Limited's Directors and its senior management for the financial year ended 30 June 2015.

Director and senior management details:

The following persons acted as Executive Directors of the consolidated entity during or since the end of the financial year. The named persons held their current position for the whole of the financial year and since the end of the financial year unless otherwise indicated:

Mr R.D. McGavin (Executive Chairman)
Mr P.C. Riordan (Executive Director)
Mr L.M. Ravetti (Technical Director)
Mr T.F. Smith (Sales and Marketing Director)
Mr S.J. Beaton (Chief Financial Officer and Company Secretary) (Appointed 15 January 2015) (Chief Operating Officer, Chief Financial Officer and Company Secretary from 24 July 2015)

DIRECTORS' REPORT

In addition the following persons acted as non executive directors of the consolidated entity during the financial year and since the end of the financial year:

Mr T.A. Jonas (Chairman of Audit and Risk Committee and a member of the Remuneration Committee)
Mr C.P. Ball (Member of the Audit and Risk Committee and Chairman of the Remuneration Committee)
Professor J. West (Member of the Remuneration Committee)
Mr M. Bailey

Remuneration policy

To meet our objectives the consolidated entity must attract, motivate and retain highly skilled directors and executives. To achieve this, the consolidated entity considers the following principles in its remuneration framework:

• Provide competitive rewards to attract high calibre directors and senior managers
• Align executive rewards to shareholder value and provide incentives to key management personnel to remain in the consolidated entity for the longer term.

Remuneration Committee

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and senior management.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior management on a periodic basis with the overall objective of ensuring the maximum stakeholder benefit from the retention of a high quality Board and executive team.

Executive Directors and Key Management Personnel

The senior executive remuneration policy is intended to be consistent with ‘best practice’ corporate governance guidelines. Broadly, the policy is intended to ensure that total compensation (that is the sum of fixed and variable remuneration) for each executive is fair, reasonable and market competitive.

Generally, senior executives are offered market competitive base salaries (including benefits). Any adjustments are based on promotion or significant role responsibility changes, pay relative to market and relative performance in the role and executives remuneration is, where possible, aligned with the interests of shareholders.

Typically, for each financial year, performance incentive payments include:
• consideration of the consolidated entity's performance
• consideration of specific divisional financial targets and goals
• a discretionary component for each senior executive based on their performance.

In June or July of each year, performance reviews are completed for all employees including executives.

Non-executive Directors

The Constitution of the consolidated entity provides that the non executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the consolidated entity in general meeting, to be divided among the Directors and in default of agreement then in equal shares. Directors are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the consolidated entity and other miscellaneous expenses.

If any of the Directors are called upon to perform extra services or make any special exertions on behalf of the consolidated entity or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for the remuneration provided in the form of Directors’ fees.

Key terms of employment contracts

Directors and Senior managers are employed under our standard employee contract and adhere to our standard terms and conditions. There are no Directors or Senior managers with any special terms or conditions.

DIRECTORS' REPORT

Remuneration report (Continued)

Relationship between the remuneration policy and consolidated entity performance

The overall level of executive reward takes into account the performance of the consolidated entity over a number of years, with a greater emphasis given to the current year. Meeting strategic objectives are also taken into account.

	30 June 2015 $'000	30 June 2014 $'000	30 June 2013 $'000	30 June 2012 $'000	30 June 2011 $'000
Revenue	130,727	99,545	95,531	46,232	46,468
Net (loss) / profit before tax	21,124	(1,785)	68,789	(7,720)	(13,964)
Net (loss) / profit after tax	14,433	491	53,443	(7,720)	(11,989)
Net Assets	148,412	134,394	129,226	75,111	77,403

	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12	30-Jun-11
Shares on issue (at end of year)	54,665,042	51,708,113	48,884,320	48,839,320	44,766,986
Net assets per Share ($)	2.71	2.60	2.64	1.54	1.73
Dividends	10 cents per share (Partially Franked)	10 cents per share (Fully Franked)	-	-	-

The company is an unlisted public company and has limited share liquidity. As such, it is not meaningful to consider share price or market capitalisation data.

Remuneration of Directors and senior management

	Short-term employee benefits			Post-employment benefits	Share-based Payments	
2015	Salary & fees $	Bonus $	Non-monetary $	Super-annuation $	Options & rights $	Total $
Mr T. A. Jonas	37,500	-	-	-	-	37,500
Mr C.P. Ball	45,000	-	-	-	-	45,000
Prof. J. West	-	-	-	-	49,500	49,500
Mr R.D. McGavin	309,935	* 90,000	-	18,783	29,973	448,691
Mr P.C. Riordan	144,312	-	-	13,710	-	158,022
Mr L.M. Ravetti	458,973	* 130,000	-	18,783	49,273	657,029
Mr T.F. Smith	280,897	* 30,000	1,817	18,783	27,446	358,943
Mr M. Bailey	-	-	-	-	49,500	49,500
Mr S. J. Beaton	321,516	* 40,000	-	18,783	** 76,036	456,335
	1,598,133	**290,000**	**1,817**	**88,842**	**281,728**	**2,260,520**

* Bonus' were paid in recognition of the performance of the consolidated entity for the year ending 30 June 2014 and 30 June 2015.

** On 30 June 2012 the consolidated entity provided a $200,000 loan to Mr S. J. Beaton to fund the exercise of options to purchase 200,000 shares in Boundary Bend Limited. The only recourse for the loan is to the shares held as collateral for the loan. The loan is repaid over five equal annual instalments of $40,000, with the first repayment made on 1 July 2013. Due to the nature of the loan, it is treated as a share based payment under accounting standards, with the expense recognised over the life of the loan. At grant date, the fair value of these shares was $1.30. The shares are released as security for the loan equally over a five year period commencing 1 July 2013.

Remuneration of Directors and senior management (continued)

	Short-term employee benefits				Post-employment benefits		Share-based Payments	
2014	Salary & fees $		Bonus $	Non-monetary $	Super-annuation $		Options & rights $	Total $
Mr T. A. Jonas	25,000		-	-	-		35,000	60,000
Mr C.P. Ball	25,000		-	-	-		35,000	60,000
Prof. J. West	25,000		-	-	-		35,000	60,000
Mr R.D. McGavin	309,935		-	-	17,775		29,973	357,683
Mr P.C. Riordan	122,110		-	-	11,295		-	133,405
Mr L.M. Ravetti	435,695	*	100,000	-	17,775		37,989	591,459
Mr T.F. Smith	260,151	*	35,000	1,817	17,775		15,806	330,549
Mr M. Bailey	10,417		-	-	-		14,062	24,479
Mr S. J. Beaton	291,515	*	55,000	-	17,775	**	78,732	443,022
	1,504,823		**190,000**	**1,817**	**82,395**		**281,562**	**2,060,597**

No Director or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Shareholdings of Directors and executives

	Balance at beginning of year No.	Granted as compensation No.	Received upon exercise of options No.	Net other change No.	Balance as end of year No.
2015					
Mr T. A. Jonas	708,204	-	150,000	(100,000)	758,204
Mr C.P. Ball	421,939	-	150,000	(70,102)	501,837
Prof. J. West	350,000	-	-	-	350,000
Mr R.D. McGavin	9,507,396	-	1,250,000	-	10,757,396
Mr P.C. Riordan	4,109,118	-	-	(1,000,000)	3,109,118
Mr L.M. Ravetti	254,764	-	400,000	(250,000)	404,764
Mr T.F. Smith	141,546	-	50,000	4,423	195,969
Mr M. Bailey	-	-	-	-	-
Mr S. J. Beaton	218,333	-	200,000	1,041	419,374
2014					
Mr T. A. Jonas	808,204	-	-	(100,000)	708,204
Mr C.P. Ball	405,062	-	-	16,877	421,939
Prof. J. West	100,000	-	150,000	100,000	350,000
Mr R.D. McGavin	9,507,396	-	-	-	9,507,396
Mr P.C. Riordan	6,109,118	-	-	(2,000,000)	4,109,118
Mr L.M. Ravetti	624,764	-	-	(370,000)	254,764
Mr T.F. Smith	141,546	-	-	-	141,546
Mr M. Bailey	-	-	-	-	-
Mr S. J. Beaton	210,000	-	-	8,333	218,333

Loans to Directors and executives

Information on loans to Directors and executives are set out in Note 25 and page 20 of this report.

Remuneration report (Continued)

Employee share option plan

The consolidated entity has an ownership based compensation scheme for employees and officers. Eligibility for the plan and exercise price for options issued under the plan are determined at the discretion of the Board.

Each employee option converts into one ordinary share of Boundary Bend Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the financial year, the consolidated entity granted 3,900,000 options (2014: 927,083) to directors and senior management of the consolidated entity, as part of their remuneration.

2,450,000 options were exercised in the financial year ended 30 June 2015 (2014: 200,000).

Grant date	Expiry date	Exerc-ise price	Fair value at grant date	Balance at beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Exercis-able at end of the year
2015									
31-Oct-11*	31-Oct-14	$1.60	$1.50	150,000	-	(150,000)	-	-	-
15-Feb-12*	15-Feb-17	$1.50	$1.50	150,000	-	-	-	150,000	150,000
30-Jun-12*	30-Jun-15	$1.80	$1.30	100,000	-	(100,000)	-	-	-
30-Jun-12	30-Jun-15	$1.60	$1.30	2,000,000	-	(2,000,000)	-	-	-
01-Nov-12	01-Nov-16	$1.50	$1.30	375,000	-	-	-	375,000	375,000
15-Nov-12	01-Nov-16	$1.55	$1.30	1,250,000	-	-	-	1,250,000	1,250,000
15-Feb-13	01-Nov-16	$1.50	$1.50	125,000	-	-	-	125,000	-
15-Feb-13*	01-Nov-16	$1.50	$1.50	150,000	-	-	-	150,000	150,000
20-Sep-13	30-Jun-15	$1.60	$1.50	200,000	-	(200,000)	-	-	-
10-Dec-13	01-Dec-16	$2.50	$2.40	375,000	-	-	-	375,000	375,000
15-Mar-14	01-Dec-16	$2.50	$2.40	52,083	-	-	-	52,083	52,083
01-May-14**	01-May-20	$2.50	$2.40	300,000	-	-	-	300,000	-
10-Nov-14	10-Nov-24	$4.00	$3.30	-	3,600,000	-	-	3,600,000	-
09-Dec-14	09-Dec-17	$3.80	$3.30	-	300,000	-	-	300,000	300,000
				5,227,083	3,900,000	(2,450,000)	-	6,677,083	2,652,083
Weighted average exercise price:				$1.70	$3.98	$1.61	$0.00	$3.07	$1.94
2014									
31-Oct-11*	31-Oct-14	$1.60	$1.50	200,000	-	(50,000)	-	150,000	150,000
15-Feb-12*	15-Feb-17	$1.50	$1.50	150,000	-	-	-	150,000	150,000
30-Jun-12*	30-Jun-15	$1.80	$1.30	100,000	-	-	-	100,000	100,000
30-Jun-12	30-Jun-15	$1.60	$1.30	2,150,000	-	(150,000)	-	2,000,000	1,050,000
01-Nov-12	01-Nov-16	$1.50	$1.30	375,000	-	-	-	375,000	375,000
15-Nov-12	01-Nov-16	$1.55	$1.30	1,250,000	-	-	-	1,250,000	1,250,000
15-Feb-13	01-Nov-16	$1.50	$1.50	125,000	-	-	-	125,000	-
15-Feb-13*	01-Nov-16	$1.50	$1.50	150,000	-	-	-	150,000	150,000
20-Sep-13	30-Jun-15	$1.60	$1.50	-	200,000	-	-	200,000	200,000
10-Dec-13	01-Dec-16	$2.50	$2.40	-	375,000	-	-	375,000	375,000
15-Mar-14	01-Dec-16	$2.50	$2.40	-	52,083	-	-	52,083	52,083
01-May-14**	01-May-20	$2.50	$2.40	-	300,000	-	-	300,000	-
				4,500,000	927,083	(200,000)	-	5,227,083	3,852,083
Weighted average exercise price:				$1.57	$2.31	$1.60	$0.00	$1.70	$1.67

* Issued to consultants for services provided.

** The agreement relating to these options was not formally signed until 1 May 2014. However, the price and terms of the options were agreed between the parties on 29 March 2014.

DIRECTORS' REPORT

Indemnification of officers

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

Directors and officers liability insurance has been taken out for all Directors. Period of cover is until 30 June 2016.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any auditors of the consolidated entity.

Auditor's independence declaration

A copy of the auditor's declaration under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report on page 24.

Proceedings on behalf of the consolidated entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings.

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

Director: ________________________________

Robert McGavin

Director: ________________________________

Tim Jonas

Dated this 25th day of September 2015

Deloitte.

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

25 September 2015

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 2015, 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
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Revenue			
Sales revenue	3	96,084	88,438
Other revenue	3	2,237	2,316
Net change in fair value of agricultural produce	3	32,406	8,791
		130,727	99,545
Expenses			
Cost of sales	4	(89,213)	(82,551)
Administration expenses		(6,296)	(4,570)
Distribution expenses		(3,779)	(4,399)
Marketing expenses		(5,424)	(5,075)
Occupancy expenses		(910)	(823)
Finance costs	4	(3,485)	(3,665)
Impairment of non-current assets		(34)	(107)
Other expenses		(462)	(140)
		(109,603)	(101,330)
Profit/(loss) before income tax		21,124	(1,785)
Income tax benefit/(expense)	5	(6,691)	2,276
Profit from continuing operations		14,433	491
Profit for the year		**14,433**	**491**
Profit is attributable to:			
Owners of Boundary Bend Limited and controlled entities		14,433	491
		14,433	491

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	2015 $'000	2014 $'000
Profit for the year	14,433	491
Other comprehensive income / (loss)		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	283	(560)
Changes in fair value of cash flow hedges	(1,395)	-
Other comprehensive loss for the year	(1,112)	(560)
Total comprehensive income / (loss) for the year	**13,321**	**(69)**
Total comprehensive income / (loss) for the year is attributable to:		
Owners of Boundary Bend Limited and controlled entities	13,321	(69)
	13,321	(69)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	6	1,782	2,504
Trade and other receivables	7	14,654	9,707
Inventory	8	66,834	53,608
Biological assets	11	609	580
Other assets	10	1,756	1,319
Total current assets		85,635	67,718
Non-current assets			
Trade and other receivables	7	116	-
Biological assets	11	76,012	75,066
Other financial assets	9	126	220
Intangible assets	12	6,472	6,472
Property, plant and equipment	13	93,748	83,009
Total non-current assets		176,474	164,767
Total assets		262,109	232,485
Current liabilities			
Trade and other payables	14	12,719	9,861
Borrowings	15	16,134	2,584
Provisions	16	1,835	1,853
Current tax liabilities	5	3	385
Other financial liabilities	17	250	218
Other liabilities	18	2,140	3,944
Total current liabilities		33,081	18,845
Non-current liabilities			
Borrowings	15	58,390	63,143
Provisions	16	104	961
Deferred tax liabilities	5	19,373	12,685
Other financial liabilities	17	1,146	-
Other liabilities	18	1,603	2,457
Total non-current liabilities		80,616	79,246
Total liabilities		113,697	98,091
Net assets		**148,412**	**134,394**
Equity			
Share capital	19	77,331	71,250
Reserves	20	(1,356)	(60)
Retained earnings	21	72,437	63,204
Total equity		**148,412**	**134,394**

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Contributed equity $'000	Foreign currency translation reserve $'000	Share based payments reserve $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 July 2013	61,312	(886)	1,179	-	67,621	129,226
Profit for the year	-	-	-	-	491	491
Other comprehensive income for the year	-	-	-	-	-	-
Exchange differences arising on translation of foreign operations	-	(560)	-	-	-	(560)
Total comprehensive income/(loss) for the period	-	(560)	-	-	491	(69)
Transactions with owners in their capacity as owners:						
Proceeds from share issue	9,859	-	-	-	-	9,859
Dividends provided for or paid	-	-	-	-	(4,908)	(4,908)
Options exercised	79	-	(79)	-	-	-
Share based payments expense	-	-	286	-	-	286
Total transactions with owners in their capacity as owners	9,938	-	207	-	(4,908)	5,237
Balance at 30 June 2014	**71,250**	**(1,446)**	**1,386**	**-**	**63,204**	**134,394**
Profit for the year	-	-	-	-	14,433	14,433
Other comprehensive loss for the year	-	-	-	(1,395)	-	(1,395)
Exchange differences arising on translation of foreign operations	-	283	-	-	-	283
Total comprehensive income/(loss) for the period	**-**	**283**	**-**	**(1,395)**	**14,433**	**13,321**
Transactions with owners in their capacity as owners:						
Proceeds from share issue / options exercised	5,562	-	-	-	-	5,562
Dividends provided for or paid	-	-	-	-	(5,201)	(5,201)
Options exercised (transfer from reserve)	519	-	(519)	-	-	-
Share based payments expense	-	-	335	-	-	335
Total transactions with owners in their capacity as owners	6,081	-	(184)	-	(5,201)	696
Balance at 30 June 2015	**77,331**	**(1,163)**	**1,202**	**(1,395)**	**72,437**	**148,412**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		95,214	92,615
Payments to suppliers and employees		(84,872)	(77,866)
Interest received		22	30
Borrowing costs		(3,973)	(4,100)
Income tax (payments)		(416)	-
Net cash provided by operating activities	23 (b)	5,975	10,679
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		128	82
Payments for property, plant and equipment		(6,854)	(3,392)
Payments for biological assets		(800)	(901)
Net cash used in investing activities		(7,526)	(4,211)
Cash flows from financing activities			
Proceeds from share issue		3,940	9,120
Payment for water lease termination		(1,000)	(1,000)
Payment for oil options		-	(371)
Net proceeds / (repayment) of borrowings		1,475	(7,923)
Dividends paid to shareholders		(3,586)	(4,169)
Net cash (used in) / provided by financing activities		829	(4,343)
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		2,504	379
Net (decrease) / increase in cash and cash equivalents		(722)	2,125
Cash and cash equivalents at the end of the period	23 (a)	1,782	2,504

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report was authorised for issue by the directors on 25 September 2015.

The financial report is for the entity Boundary Bend Limited and controlled entities as an individual entity. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Boundary Bend Limited and controlled entities is a consolidated entity limited by shares, incorporated and domiciled in Australia.

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

The consolidated entity has adopted all new and revised Standards and Interpretations that are effective for the reporting period.

(a) Basis of preparation of the financial report

The consolidated financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Principles of consolidation

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

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 consolidated entity. They are seperated from the date that control ceases.

When the consolidated entity loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) 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.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or liability 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.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax Consolidation

The parent entity and its subsidiaries have implemented the tax consolidation legislation and have formed a tax consolidated group from 1 July 2005. This means that:
• each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity.
• the parent entity assumes the current tax liability and any deferred tax assets relating to tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries.

(d) Borrowing costs

Borrowing costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings and foreign exchange losses net of hedged amounts on borrowings.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset are capitalised until the asset is ready for its intended use or sale.

(e) Impairment

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(f) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases

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

Finance Leases/Hire Purchase
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 consolidated entity 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. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the consolidated statement of comprehensive income. Leased assets are depreciated on a mixture of straight line and diminishing value basis over their estimated useful lives where it is likely that the consolidated entity 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.

Chattel Mortgage
Under a Chattel Mortgage, the consolidated entity takes legal ownership of the fixed assets and the financier takes a charge over the equipment. Chattel mortgages are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the Chattel Mortgage and is included in finance costs in the consolidated statement of comprehensive income. The assets are depreciated on a mixture of straight line and diminishing value basis over their estimated useful lives where it is likely that the consolidated entity will obtain ownership of the asset. Chattel Mortgage payments are allocated between the reduction of the liability and the interest expense for the period.

Operating leases
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(h) Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

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 on a straight line basis over the rental term.

Government grants, where there is a reasonable requirement to complete specified task(s)/projects, are not recognised until there is reasonable assurance that the consolidated entity will comply with the conditions attaching to them and that the grants not require repayment. Unconditional grants are recognised when received.

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).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Olive oil inventories include agricultural produce that the consolidated 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.

(j) Property, plant and equipment

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

Property
Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and credited to other reserves in shareholders' equity. To the extent that the increase reverses a decrease for the same asset previously recognised in the profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to profit or loss.

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 commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rates	Depreciation basis
Plant & equipment	*4.5% - 22.5 %*	Diminishing value
Leased plant and equipment	*10 - 22.5 %*	Diminishing value
Motor vehicles	*18.75%*	Diminishing value
Office equipment	*10 - 60%*	Diminishing value
Furniture, fixtures & fittings	*4.5% - 22.5%*	Diminishing value

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

(k) Intangibles

Water rights
Water rights are recorded at cost. Water rights have an indefinite life and are not amortised. Water rights are tested annually for impairment.

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 have an indefinite life. They are not amortised but are tested annually for impairment. Trademarks are tested for impairment using the assumptions in Note 2(a).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign currency translations and balances

Functional and presentation currency
The functional currency of each of the individual entities comprising the consolidated entity is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities is Australian dollars except for Boundary Bend Estate Pty Ltd which has a functional currency of Argentinean Pesos and the US based entities Boundary Bend Olives, Inc; Boundary Bend Assets, Inc; and Boundary Bend, Inc., which have a functional currency of US dollars. These financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and Balances
Transactions in foreign currencies of the consolidated entity are translated from the functional currency into Australian dollars at the rate of exchange ruling at the date of the transaction.

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 reporting period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of Boundary Bend Estate Pty Ltd and non-Australian entities are expressed in Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for each month in the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated directly into equity in the Foreign Currency Translation Reserve.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re statement are recognised as revenues and expenses for the financial year.

The foreign currency hedging risk policy is described under Note 27(a) Financial Risk Management.

(m) 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 consolidated entity to an employee superannuation fund are recognised as an expense as they become payable.

Share based payments
Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Share options are priced using the Black Scholes option pricing model. Details regarding the determination of the fair value of equity settled share based transactions are set out in Note 29.

Options that vest on issue are expensed in full on issue date. Options that do not vest on issue are expensed on a straight line basis over the vesting period based on the consolidated entity's estimate of equity instruments that will eventually vest.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Research and development expenditure

Expenditure on research activities is recognised as an expense when incurred.

Expenditure on development activities is capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of its estimated useful life commencing when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

(o) Financial instruments

Classification
Management determines the classification of its investments at initial recognition. Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss', 'held to maturity' investments, 'available for sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available for sale financial assets
Listed shares held by the consolidated entity that are traded in an active market are classified as available for sale and are stated at fair value. The consolidated entity also has investments in unlisted shares that are not traded in an active market which are stated at cost. Gains and losses arising from the changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is reclassified to profit or loss.
Dividends on available for sale equity instruments are recognised in profit or loss when the consolidated entity's right to receive the dividends is established.

Loans and receivables
Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities
Financial liabilities include trade payables, other creditors and loans from third parties including intercompany 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

Hedge accounting
Certain derivatives are designated as hedging instruments and are further classified as either fair value hedges or cash flow hedges.

At the inception of each hedging transaction, the consolidated entity documents the relationship between the hedging instruments and hedged items, its risk management objective and its strategy for undertaking the hedge transaction. The consolidated entity 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.

(i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

(ii) Cash flow hedge
To qualify as a cash flow hedge the underlying transactions generating the cash flows must be highly probable. Changes in the fair value of derivative that are designated and qualify as cash flow hedges are recognised in equity in the cash flow hedging reserve. This gain or loss is released to profit or loss in the same period when the forecast transactions occur, thereby mitigating any exchange fluctuations that would have transpired in the absence of the hedge.

(p) Agriculture

The consolidated 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 consolidated entity including 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 a direct comparison and discounted cash flow valuation. 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 and there is a market in which to sell the trees, which is historically at 18 months from date of propagation. Where no active market exists for the sale of the Olive trees they are recognised at cost.

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

(q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Rounding of amounts

The consolidated entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment other assets

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist.

An impairment loss of $0.03 million (2014: $0.1 million) has been recognised in the consolidated entity in relation to investments. This impairment loss has been recognised in profit or loss disclosed as ‘Impairment of non current assets’.

(b) Income tax

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

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(c) Biological Assets

Biological assets relate to the olive trees.

The fair value of the non-current biological assets is determined using a direct comparison and discounted cashflow methodology over ten years. The following key assumptions were applied to the discounted cash flow:
- a pre-tax discount rate of 17.5% to take into account the uncertainty associated with the oil yield, 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 farm gate price, increasing in line with expected inflation;
- the expected long term water costs;
- the other costs associated with maintaining the groves and processing the oil are based on expected costs, increasing in line with expected inflation;
- a terminal value is applied at the end of the ten year period.

	Note	2015 $'000	2014 $'000
NOTE 3: REVENUE			
Sale of goods		96,084	88,438
Management/service fees		303	444
Rental income		517	462
Interest income		22	30
Other income		352	536
Profit on sale of property plant and equipment		-	8
Unrealised Foreign currency gains		642	54
Gain on revaluation of financial instrument		365	-
Subsidies and grants		36	782
		2,237	2,316
Fair value adjustments:			
Net increase in fair value of agricultural produce		32,406	8,791
		130,727	99,545
NOTE 4: OPERATING PROFIT / (LOSS)			
Profit / (loss) before income tax has been determined after:			
Cost of sales		89,213	82,551
Finance costs:			
Interest expense		2,908	2,880
Borrowing costs		443	695
Hire purchase charges		108	51
Finance lease charges		26	39
		3,485	3,665
Depreciation:			
Buildings		11	-
Plant and equipment		3,592	3,090
Motor vehicles		119	108
Office furniture and equipment		31	29
Furniture and fittings		11	14
		3,764	3,241
Bad debts - trade debtors		8	(7)
Impairment of financial assets	9	34	107
Employee benefits:			
Share based payments		335	286
Defined contribution superannuation expense		739	668
Other employee benefits		10,765	8,860
		11,839	9,814
Loss on sale of property plant and equipment		32	26

		2015 $	2014 $
NOTE 4: OPERATING PROFIT/(LOSSES) (CONTINUED)			
Remuneration of auditors for:			
Auditor's remuneration - audit and review fees		63,250	66,564
The auditor of Boundary Bend Limited is Deloitte Touche Tohmatsu.			
The auditor did not receive any other benefits			

NOTE 5: INCOME TAX

		2015 $'000	2014 $'000
(a) Components of tax expense			
Current tax		3	385
Deferred tax		6,657	(2,661)
Under / (over) provision in prior years	5(g)	31	-
		6,691	(2,276)
(b) Prima facie tax payable			
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:			
Prima facie income tax expense / (benefit) before income tax at 30% (2014: 30%)		6,337	(536)
Add tax effect of:			
- Finance leases		76	(54)
- Other non-allowable items		162	-
- Offshore tax losses not brought to account		714	0
- Tax losses previously not brought to account		-	(1,128)
- Share based payments		101	86
- Under provision in prior years		31	-
- Adjustment in respect of prior year tax losses		213	-
		1,297	(1,096)
Less tax effect of:			
- Depreciation entitlement attached to fixed assets		(339)	(339)
- Research and development deductions		(350)	(305)
- Non-assessable items		(115)	-
- Other deductible items		(120)	-
- Difference in overseas tax rates		(19)	-
		(943)	(644)
Income tax expense / (credits) attributable to profit		6,691	(2,276)
(c) Current tax			
Current tax liabilities			
Opening balance		385	-
Income tax		3	-
Tax payments		(416)	-
Under / (over) provision of prior year liability		31	385
Current tax liabilities		3	385

NOTE 5: INCOME TAX (CONTINUED)

(d) Deferred tax balances

	Opening balance $'000	Recognised in profit or loss $'000	Recognised directly in equity $'000	Closing balance $'000
2014				
Deferred tax asset				
Employee benefits	216	47	-	263
Impairment of investments	223	32	-	255
Impairment of goodwill	1,083	1,421	-	2,504
Future tax depreciation entitlement on plant & equipment	2,043	(152)	-	1,891
Future tax depreciation entitlement on biological assets	1,735	(267)	-	1,468
Capital raising costs	99	(39)	-	60
Doubtful debts	27	(2)	-	25
Other	1,188	(323)	-	865
Tax losses brought to account	3,896	1,944	-	5,840
	10,510	2,661	-	13,171
Deferred tax liability				
The balance comprises:				
Finance leases	197	(108)	-	89
Fair value adjustment to property, plant & equipment	8,155	-	-	8,155
Prepayments	45	(43)	-	2
Fair value adjustment to biological assets	17,459	151	-	17,610
	25,856	-	-	25,856
Net deferred tax assets / (liabilities)	(15,346)	2,661	-	(12,685)
2015				
Deferred tax asset				
Employee benefits	263	19	-	282
Impairment of investments	255	(22)	-	233
Impairment of goodwill	2,504	-	-	2,504
Future tax depreciation entitlement on plant & equipment	1,891	(1,444)	-	447
Future tax depreciation entitlement on biological assets	1,468	(30)	-	1,438
Capital raising costs	60	(30)	-	30
Doubtful debts	25	3	-	28
Other	865	(233)	-	632
Tax losses brought to account	5,840	(5,661)	-	179
	13,171	(7,398)	-	5,773
Deferred tax liability				
The balance comprises:				
Finance leases	89	584	-	673
Fair value adjustment to property, plant & equipment	8,155	(1,439)	-	6,716
Prepayments	2	(2)	-	-
Fair value adjustment to biological assets	17,610	147	-	17,757
	25,856	(710)	-	25,146
Net deferred tax assets / (liabilities)	(12,685)	(6,688)	-	(19,373)

NOTE 5: INCOME TAX (CONTINUED)

(e) Deferred tax revenue included in income tax expense

	2015 $'000	2014 $'000
Decrease / (increase) in deferred tax assets	7,398	(2,661)
(Decrease) / Increase in deferred tax liabilities	(710)	-
	6,688	(2,661)

(f) Deferred tax assets not brought to account

Deferred tax asset not brought to account relating to:

	2015 $'000	2014 $'000
Unclaimed building allowance deductions	173	281
Tax losses	694	-

The benefits of the deferred tax assets not brought to account will only be realised if the conditions for deductibility set out in the accounting policies note occur.

NOTE 6: CASH AND CASH EQUIVALENTS

	Note	2015 $'000	2014 $'000
Cash at bank		1,782	2,504

NOTE 7: RECEIVABLES

	Note	2015 $'000	2014 $'000
CURRENT			
Trade debtors		13,828	9,162
Provision for doubtful debts		(92)	(84)
		13,736	9,078
Other receivables		909	577
Loan to key management personnel	25	9	52
		14,654	9,707
NON CURRENT			
Loan to key management personnel	25	116	-

The standard credit period on sales of goods and rendering of services is 30-60 days. No interest is charged on the trade receivables for the first 30-60 days from when the receivable was incurred. Thereafter, the consolidated entity has the right to charge interest at a commercial rate on a case by case basis depending on management's discretion and whether the receivable is past due. A provision has been made for estimated irrecoverable trade receivable amounts arising from the sale of goods and rendering services.

New and existing customers are subject to defined credit limits, which are reviewed on a regular basis. The consolidated entity operates credit insurance where appropriate for customers to minimise the risk associated with default.

Included in the consolidated entity's trade receivable balance are debtors with a carrying amount of $0.1 million (2014: $0.7 million) which are past due at the reporting date. There has not been a significant change in credit quality and the amounts are still considered recoverable. The consolidated entity does not hold any collateral over these balances.

Reconciliation of provision for doubtful debts

	2015 $'000	2014 $'000
Opening balance at 1 July	(84)	(91)
Doubtful debts recognised on receivables	(8)	-
Amounts recovered during the year	-	7
Amounts written off against the provision during the year	-	-
Closing balance at 30 June	(92)	(84)

NOTE 8: INVENTORY

	Note	2015 $'000	2014 $'000
CURRENT			
Raw materials at cost		1,909	1,781
Olive oil	1(i)	64,925	51,827
		66,834	53,608

	Note	2015 $'000	2014 $'000
NOTE 9: OTHER FINANCIAL ASSETS			
NON CURRENT			
Other financial assets			
Shares in other corporations		958	1,125
Provision for impairment loss		(832)	(905)
		126	220
Reconciliation:			
Shares in other corporations			
Opening balance at 1 July		1,125	1,125
Shares written off		(167)	-
Closing balance at 30 June		958	1,125
Provision for impairment of shares in other corporations			
Opening balance at 1 July		(905)	(798)
Plus amounts written off against the provision		107	-
Less increase in provision for shares held		(34)	(107)
Closing balance at 30 June		(832)	(905)

Investment in Hunan Aubrand Foodstuffs Co. Ltd was provided against in 2014 and written off in 2015.

	Note	2015 $'000	2014 $'000
NOTE 10: OTHER ASSETS			
CURRENT			
Prepayments		835	616
Other current assets		921	703
		1,756	1,319
NOTE 11: BIOLOGICAL ASSETS			
CURRENT			
At fair value			
Biological assets for sale - nursery trees	1(p)	609	580
NON CURRENT			
At fair value			
Olive Groves	1(p)	76,012	75,066
Reconciliation			
Opening balance		75,066	74,165
Net increase due to development		946	901
		76,012	75,066

	Note	2015 $'000	2014 $'000

NOTE 12: INTANGIBLE ASSETS

	Note	2015 $'000	2014 $'000
Goodwill at cost		6,896	6,896
Less accumulated impairment loss		(6,896)	(6,896)
		-	-
Water rights at cost		120	120
Trademarks at cost		6,352	6,352
Total intangible assets		6,472	6,472

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

Land & buildings

	Note	2015 $'000	2014 $'000
Land & buildings at fair value		62,487	60,070

Plant & equipment

	Note	2015 $'000	2014 $'000
Plant & equipment at cost		47,268	35,687
Less accumulated depreciation		(16,719)	(13,335)
		30,549	22,352
Motor vehicles at cost		781	644
Less accumulated depreciation		(392)	(283)
		389	361
Office equipment at cost		800	724
Less accumulated depreciation		(559)	(544)
		241	180
Furniture, fixtures & fittings at cost		157	110
Less accumulated depreciation		(75)	(64)
		82	46
Total plant and equipment		31,261	22,939
Total property, plant and equipment		93,748	83,009

NOTE 13: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment:

	2015 $'000	2014 $'000
Land & buildings		
Opening carrying amount	60,070	58,494
Additions	1,657	2,125
Disposals	-	-
Depreciation expense	(11)	-
Net foreign currency movements	771	(549)
Closing carrying amount	62,487	60,070
Plant & equipment		
Opening carrying amount	22,352	21,208
Additions	12,073	4,335
Disposals	(350)	(101)
Depreciation expense	(3,592)	(3,090)
Net foreign currency movements	66	-
Closing carrying amount	30,549	22,352
Motor vehicles		
Opening carrying amount	361	235
Additions	159	234
Disposals	(12)	-
Depreciation expense	(119)	(108)
Closing carrying amount	389	361
Office equipment		
Opening carrying amount	180	206
Additions	90	3
Depreciation expense	(31)	(29)
Net foreign currency movements	2	
Closing carrying amount	241	180
Furniture, fixtures & fittings		
Opening carrying amount	46	50
Additions	47	10
Depreciation expense	(11)	(14)
Net foreign currency movements	-	-
Closing carrying amount	82	46
Total property, plant and equipment		
Carrying amount at 1 July	83,009	80,193
Additions	14,026	6,707
Disposals	(362)	(101)
Depreciation expense	(3,764)	(3,241)
Net foreign currency movements	839	(549)
Carrying amount at 30 June	93,748	83,009

	Note	2015 $'000	2014 $'000

NOTE 14: PAYABLES

	Note	2015 $'000	2014 $'000
CURRENT			
Unsecured liabilities			
Trade creditors		8,593	6,374
Other creditors and accruals		4,126	3,487
		12,719	9,861

NOTE 15: BORROWINGS

	Note	2015 $'000	2014 $'000
CURRENT			
Secured Liabilities			
Bank loans	(a)	13,000	-
Finance lease liability	22(a)	850	1,058
Hire purchase/chattel mortgage liability	22(b)	2,284	1,526
		16,134	2,584
NON CURRENT			
Secured liabilities			
Bank loans	(a)	48,855	57,980
Finance lease liability	22(a)	639	1,187
Hire purchase/chattel mortgage liability	22(b)	8,896	3,976
		58,390	63,143
Total Borrowings		74,524	65,727

(a) Terms and conditions and assets pledging as security relating to the above financial instruments

The bank loans are secured by a general security interest over the assets and undertakings of Boundary Bend Limited and its Australian subsidiaries. The bank also has mortgages over the real properties owned by the consolidated entity. All Australian subsidiaries guarantee the bank loans.

NOTE 16: PROVISIONS

	Note	2015 $'000	2014 $'000
CURRENT			
Dividends payable		-	8
Employee benefits	(a)	835	845
Provision for onerous contract (water lease termination)		1,000	1,000
		1,835	1,853
NON CURRENT			
Employee benefits	(a)	104	31
Provision for onerous contract (water lease termination)		-	930
		104	961
(a) Aggregate employee benefits liability		939	876

		2015 $'000	2014 $'000
NOTE 17: OTHER FINANCIAL LIABILITIES			
CURRENT			
Hedging instruments			
Foreign currency forward contract		-	218
Interest rate swap		250	-
		250	218
NON-CURRENT			
Hedging instruments			
Interest rate swap		1,146	-
NOTE 18: OTHER LIABILITIES			
CURRENT			
Deferred income		522	936
Other current liabilities		1,618	3,008
		2,140	3,944
NON-CURRENT			
Other non-current liabilities		1,603	2,457
NOTE 19: SHARE CAPITAL			
Issued and paid-up capital			
54,665,042 (2014: 51,708,113) ordinary shares	(a)	77,331	71,250

	2015		2014	
	Shares '000	$'000	Shares '000	$'000
(a) Ordinary shares				
Consolidated				
Opening balance	51,708	71,250	48,884	61,312
Shares issued:				
4 September 2013	-	-	150	267
23 January 2014	-	-	50	80
17 February 2014	-	-	308	739
30 May 2014	-	-	1,316	5,000
12 June 2014	-	-	1,000	3,800
30 June 2014	-	-	-	52
30 October 2014	150	302	-	-
22 January 2015	150	267	-	-
5 February 2015	507	1,622	-	-
17 June 2015	50	89	-	-
19 June 2015	150	267	-	-
23 June 2015	200	356	-	-
25 June 2015	1,750	3,120	-	-
30 June 2015	-	58	-	-
	2,957	6,081	2,824	9,938
At reporting date	54,665	77,331	51,708	71,250

NOTE 19: SHARE CAPITAL (cont)

(b) Rights of each type of share

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

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value.

(c) Share options granted under the Employees and Officers Share Option plan

At 30 June 2015, directors, senior employees and consultants held options over 6,677,083 ordinary shares of the consolidated entity. At 30 June 2014, directors and senior employees held options over 5,227,083 ordinary shares of the consolidated entity.

Share options granted under the Employees and Officers Share Option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 29.

	Note	2015 $'000	2014 $'000
NOTE 20: RESERVES			
Foreign currency translation reserve	20(a)	(1,163)	(1,446)
Share based payments reserve	20(b)	1,202	1,386
Cash flow hedge reserve	20(c)	(1,395)	-
		(1,356)	(60)

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record the exchange differences arising on translation of a foreign entity.

	2015 $'000	2014 $'000
Movements in reserve		
Opening balance	(1,446)	(886)
Exchange difference arising on translation of foreign operations	283	(560)
Closing balance	(1,163)	(1,446)

(b) Share based payments reserve

The share based payments reserve relates to share options granted to employees, officers and consultants under the Employee and Officers Share Option plan. Further information about share based payments to employees and officers is set out in Note 29.

	2015 $'000	2014 $'000
Movements in reserve		
Opening balance	1,386	1,179
Options exercised, transferred to share capital	(519)	(79)
Share based payments	335	286
Closing balance	1,202	1,386

(c) Cash flow hedge reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges.

	2015 $'000	2014 $'000
Movements in reserve		
Opening balance	-	-
Gain / (loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges		
- Interest rate swap	(1,395)	-
Closing balance	(1,395)	-

NOTE 21: RETAINED EARNINGS

	2015 $'000	2014 $'000
Retained earnings at beginning of year	63,204	67,621
Net profit/(loss)	14,433	491
Dividends provided for or paid	(5,201)	(4,908)
	72,437	63,204

NOTE 22: CAPITAL AND LEASING COMMITMENTS

	Note	2015 $'000	2014 $'000
(a) Finance leasing commitments			
Payable			
- not later than one year		1,106	1,194
- later than one year and not later than five years		464	1,268
Minimum lease payments		1,570	2,462
Less future finance charges		(81)	(217)
Total finance lease liability		1,489	2,245
Represented by:			
Current liability	15	850	1,058
Non-current liability	15	639	1,187
		1,489	2,245
(b) Hire purchase and Chattel mortgage commitments			
Payable			
- not later than one year		2,844	1,816
- later than one year and not later than five years		10,183	4,308
Minimum hire purchase payments		13,027	6,124
Less future finance charges		(1,847)	(622)
Total hire purchase liability		11,180	5,502
Represented by:			
Current liability	15	2,284	1,526
Non-current liability	15	8,896	3,976
		11,180	5,502
(c) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than one year		112	39
- later than one year and not later than five years		216	18
		328	57

General description of operating leasing arrangements:

Operating leases relate to office space, warehouse and office equipment and motor vehicles with lease terms of between 2 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 a right to purchase the leased asset at the expiry of the lease period. Each lease consists of an initial fixed term, plus multiple options to extend beyond the initial term (at the option of the consolidated entity). Therefore, only the first term of each lease is included in the above commitments.

	Note	2015 $'000	2014 $'000

NOTE 23: CASH FLOW INFORMATION

(a) Reconciliation of cash

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

	Note	2015 $'000	2014 $'000
Cash at bank	6	1,782	2,504

(b) Reconciliation of cash flow from operations with profit / (loss) after income tax

	2015 $'000	2014 $'000
Profit from ordinary activities after income tax	14,433	491
Adjustments for non-cash items		
Depreciation & amortisation	3,764	3,241
Bad debt expense	8	(7)
Stock obsolescence	9	16
Loss on sale of assets	32	18
Impairment of financial assets	94	-
Net increase in fair value of olive oil options	(365)	(50)
Share based payment expense	335	286
Unrealised exchange losses on forward contract	(218)	39
Unrealised foreign currency losses	(197)	149
	3,462	3,692
Changes in assets and liabilities		
(Increase) / decrease in receivables	(5,064)	1,332
(Increase) / decrease in prepayments and other assets	(72)	45
(Increase) / decrease in inventories	(13,400)	5,116
(Decrease) / increase in payables	2,222	2,834
(Decrease) / increase in income tax payable	(382)	385
Increase / (decrease) in deferred taxes	6,687	(2,661)
Increase in provisions	203	603
Increase / (decrease) in accrued expenses & other liabilities	(2,115)	(1,158)
	(11,921)	6,496
Cash flows provided by operating activities	5,975	10,679

(c) The major facilities of the consolidated entity are summarised as follows:

Facility	Limit AUD $'000	Drawn at 30 Jun 15 AUD $'000	Expiry
3 year facility	45,000	45,000	August 2016
2 year facility	13,000	13,000	August 2015
Trade Finance facility	4,000	-	October 2015
Commerical Advance facility	4,000	-	December 2016
	66,000	**58,000**	

The interest cost under the facilities are referenced to the bank bill swap bid rate (BBSY). A margin is also paid in addition to this reference rate.

NOTE 23: CASH FLOW INFORMATION (CONTINUED)

Facility	Limit USD $'000	Drawn at 30 Jun 15 USD $'000	Term
Domestic Foreign Currency Account Facility	5,000	3,000	December 2016
	5,000	**3,000**	

All of the facilities are secured by a general security interest over the assets and undertakings of Boundary Bend Limited and its Australian subsidiaries. The bank also holds mortgages over the real properties owned by the consolidated entity. All Australian subsidiaries guarantee the above bank loans.

Finance will continue to be provided under the above facilities provided the consolidated entity has not breached any borrowing requirements and the consolidated financial entity meets the required financial ratios. The consolidated entity confirms that it has complied with all borrowing requirements and met the required financial ratios during the year.

On 31 August 2015, Boundary Bend Limited signed a credit approved term sheet to increase and extend its existing debt facilities with the CBA. The general terms of the facilities will be similar to the existing facilities, and all facilities will be in place for a period of 5 years from when the new documents are signed. Once documented, Boundary Bend will have the following debt facilities:

- Core Debt	A$58.00 million
- Working Capital Debt	A$16.00 million ($12.00 million available from 01/02/2016)
- US Debt	US$10.5 million

NOTE 24: CONTROLLED ENTITIES

	Country of incorporation	Ownership 2015 %	Ownership 2014 %
Parent Entity:			
Boundary Bend Limited	Australia		
Subsidiaries of Boundary Bend Limited:			
Boundary Bend Estate Management Pty Ltd	Australia	100	100
Boundary Bend Estate (Processors) Pty Ltd	Australia	100	100
Boundary Bend Estate Pty Ltd	Australia	100	100
Boundary Bend Olives 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 Assets Pty Ltd	Australia	100	100
Boundary Bend Estate (No. One) Pty Ltd	Australia	100	100
Boundary Bend Estate (No. Two) Pty Ltd	Australia	100	100
Boundary Bend Estate (No. Three) Pty Ltd	Australia	100	100
Boundary Bend Nominees (No. One) Pty Ltd	Australia	100	100
Boundary Bend Nominees (No. Two) Pty Ltd	Australia	100	100
Boundary Bend Nominees (No. Three) Pty Ltd	Australia	100	100
Boundary Bend Olives, Inc.	USA	100	100
Boundary Bend Assets, Inc.	USA	100	100
Boundary Bend, Inc.	USA	100	100

NOTE 25: RELATED PARTY TRANSACTIONS

(a) Trading transactions

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sales of goods/services		Purchase of goods/services	
	2015	2014	2015	2014
	$	$	$	$
P & F Riordan Family Trust	-	-	23,270	23,371
P & F Riordan Pty Ltd	4,049	3,339	16,618	21,122
United Retail Group Pty Ltd	-	-	71,815	97,060
Riordan Group Pty Ltd	-	-	33,649	14,098
RD & KA McGavin Pty Ltd	-	-	-	20,625
McGavin Investments Pty Ltd	-	-	22,000	72,540
Poligolet Holdings Pty Ltd	8,853	12,826	10,556	-
Right Brain Capital Pty Ltd	-	-	997	2,083
Jubilee Park Vineyards Pty Ltd	27,084	26,905	-	-
	39,986	43,070	178,905	250,899

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	2015	2014	2015	2014
	$	$	$	$
P & F Riordan Pty Ltd	468	216	-	-
United Retail Group Pty Ltd	-	-	47,710	40,086
Riordan Group Pty Ltd	-	-	28,512	7,154
McGavin Investments Pty Ltd	-	-	5,500	23,638
Poligolet Holdings Pty Ltd	713	2,431	-	-
Right Brain Capital Pty Ltd	-	-	(13,750)	-
Jubilee Park Vineyards Pty Ltd	847	850	-	-
	2,028	3,497	67,972	70,878

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Sale of goods and services were made at the consolidated entity's usual list prices. Purchases were made at market price.

NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loans to key management personnel

The following loan balance is in respect of loans made to key management personnel of the consolidated group or to their related entities.

	Balance at beginning $	Interest charged $	Balance at end $	Highest in period $
2015				
Leandro Ravetti*	51,651	6,218	-	51,651
2014				
Leandro Ravetti*	100,286	6,218	51,651	100,286

*This loan provided by the group attracts interest in accordance with the Australian Taxation Office benchmark interest rate of 5.95% (2014: 6.20%).

(c) Transactions with key management personnel compensation

(i) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 34 to the financial statements.

(ii) Key management personnel equity holdings

Fully paid ordinary shares of Boundary Bend Limited:

	Balance at beginning of year No.	Granted as compensation No.	Received upon exercise of options No.	Net other change No.	Balance at end of year No.
2015					
Mr T. A. Jonas	708,204	-	150,000	(100,000)	758,204
Mr C.P. Ball	421,939	-	150,000	(70,102)	501,837
Prof. J. West	350,000	-	-	-	350,000
Mr R.D. McGavin	9,507,396	-	1,250,000	-	10,757,396
Mr P.C. Riordan	4,109,118	-	-	(1,000,000)	3,109,118
Mr L.M. Ravetti	254,764	-	400,000	(250,000)	404,764
Mr T.F. Smith	141,546	-	50,000	4,423	195,969
Mr M. Bailey	-	-	-	-	-
Mr S. J. Beaton	218,333	-	200,000	1,041	419,374
2014					
Mr T. A. Jonas	808,204	-	-	(100,000)	708,204
Mr C.P. Ball	405,062	-	-	16,877	421,939
Prof. J. West	100,000	-	150,000	100,000	350,000
Mr R.D. McGavin	9,507,396	-	-	-	9,507,396
Mr P.C. Riordan	6,109,118	-	-	(2,000,000)	4,109,118
Mr L.M. Ravetti	624,764	-	-	(370,000)	254,764
Mr T.F. Smith	141,546	-	-	-	141,546
Mr M. Bailey	-	-	-	-	-
Mr S. J. Beaton	210,000	-	-	8,333	218,333

NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)

Share options of Boundary Bend Limited:

	Balance at beginning of year No.	Granted as compen-sation No.	Exercised No.	Lapsed No.	Balance at end of year No.
2015					
Mr T. A. Jonas	400,000	-	(150,000)	-	250,000
Mr C.P. Ball	400,000	-	(150,000)	-	250,000
Prof. J. West	250,000	150,000		-	400,000
Mr R.D. McGavin	2,500,000	-	(1,250,000)	-	1,250,000
Mr P.C. Riordan	-	-		-	-
Mr L.M. Ravetti	400,000	1,600,000	(400,000)	-	1,600,000
Mr T.F. Smith	175,000	500,000	(50,000)	-	625,000
Mr M. Bailey	52,083	150,000	-	-	202,083
Mr S. J. Beaton	200,000	1,000,000	(200,000)	-	1,000,000
2014					
Mr T. A. Jonas	275,000	125,000	-	-	400,000
Mr C.P. Ball	275,000	125,000	-	-	400,000
Prof. J. West	275,000	125,000	(150,000)	-	250,000
Mr R.D. McGavin	2,500,000	-	-	-	2,500,000
Mr P.C. Riordan	-	-	-	-	-
Mr L.M. Ravetti	200,000	200,000	-	-	400,000
Mr T.F. Smith	175,000	-	-	-	175,000
Mr M. Bailey	-	52,083	-	-	52,083
Mr S. J. Beaton	200,000	-	-	-	200,000

All share options issued to key management personnel are made in accordance with the provision of the employee share option plan.

During the financial year 2,200,000 options (2014: 150,000) were exercised by key management personnel.

Further details of the employee share option plan and of share options issued during the 2015 and 2014 financial year are contained in Note 29 to the financial statements.

NOTE 26: FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy
Asset and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Inputs for the asset or liability that are not based on observable market data

Year ended 30 June 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$'000**	**$'000**	**$'000**	**$'000**
Non-financial assets				
Land and building at fair value	-	11,325	51,162	62,487
Biological assets - olive groves	-	-	76,012	76,012
Total non-financial assets	-	11,325	127,174	138,499
Financial liabilities				
Hedging instruments	-	1,396	-	1,396
Total financial liabilities	-	1,396	-	1,396

Year ended 30 June 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$'000**	**$'000**	**$'000**	**$'000**
Non-financial assets				
Land and building at fair value	-	11,325	48,745	60,070
Biological assets - olive groves	-	-	75,066	75,066
Total non-financial assets	-	11,325	123,811	135,136
Financial liabilities				
Hedging instruments	-	218	-	218
Total financial liabilities	-	218	-	218

(b) Transfers between level 1 and level 2
There were no transfers between level 1 and level 2 of the fair value hierarchy during the year.

NOTE 26: FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Valuation techniques and inputs used in level 2 fair value measurements

	Fair value $'000	Valuation technique	Description of valuation technique and inputs used
Land & Buildings	11,325	Market approach	The consolidated entity's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, plus any subsequent capital improvements. The fair value measurements of the consolidated entity's land & buildings as at 30 June 2015 were performed by CBRE, independent valuers. The valuation was performed using a capitalisation of net income and direct market comparison approach. Based on current market conditions the directors consider that the basis of the independent valuation is appropriate for 30 June 2015.
Interest rate swap	1,396	Income approach	The fair value of interest rate swaps is calculated using the present value of the estimated future cash flows based on observable interest rate yield curves.

(d) Reconciliation of recurring level 2 fair value movements

	2015 $'000	2014 $'000
Land and building at fair value		
Opening balance	11,325	11,325
Purchases	-	-
Total gains and losses recognised in profit or loss	-	
Closing balance	11,325	11,325
Hedging instruments		
Opening balance	218	179
Total gains and losses recognised in profit or loss	(218)	39
Total gains and losses recognised in other comprehensive income	1,396	-
Closing balance	1,396	218

NOTE 26: FAIR VALUE MEASUREMENTS (CONTINUED)

(e) Valuation techniques and significant unobservable inputs used in level 3 fair value measurements

	Fair value $'000	Valuation technique	Description of valuation technique and inputs used
Land & Buildings	51,162	Market approach	The consolidated entity's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, plus any subsequent capital improvements. The fair value measurements of the consolidated entity's land & buildings as at 30 June 2015 were performed by CBRE, independent valuers.
Biological assets - Olive Groves	76,012	Income approach	The fair value of the biological assets determined using a discounted cashflow methodology over ten years. The following key assumptions were applied: - a pre-tax discount rate of 17.5% to take into account the uncertainty associated with the oil yield, 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 farm gate price, increasing in line with expected inflation; - the current water costs, increasing up to the expected long term water costs; - the other costs associated with maintaining the groves and processing the oil are based on expected costs, increasing in line with expected inflation; - a terminal value is applied at the end of the ten year period.

(f) Reconciliation of recurring level 3 fair value movements

	2015 $'000	2014 $'000
Land and building at fair value		
Opening balance	48,745	47,169
Purchases	1,645	2,125
Net foreign currency movements	772	(549)
Closing balance	51,162	48,745
Biological assets - olive groves		
Opening balance	75,066	74,165
Purchases	800	722
Transfers from Nursery Trees	146	179
Total gains and losses recognised in profit or loss	-	-
Closing balance	76,012	75,066

NOTE 27: FINANCIAL RISK MANAGEMENT

Capital risk management

The consolidated entity manages its capital to ensure that entities in the consolidated entity 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 capital structure of the consolidated entity consists of debt, which includes the borrowings disclosed in Note 15, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 19, 20 and 21 respectively.

Operating cash flows are used to maintain and expand the consolidated entity’s net asset position, as well as to make the normal outflows of tax, dividend and interest obligations. The consolidated entity’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 consolidated entity has a benchmark gearing ratio calculated as the ratio of total external debt to tangible assets. As at year end, the consolidated entity was below the said benchmark.

	2015	**2014**
	$'000	**$'000**
Total External Debt	74,524	65,727
Less: Cash and Cash Equivalents	(1,782)	(2,504)
Net External Debt	72,742	63,223
Total Assets	262,109	232,485
Less: Intangible Assets	(6,472)	(6,472)
Tangible Assets	255,637	226,014
Gearing Ratio	28.45%	27.97%

The consolidated entity monitors and manages the financial risks relating to the operations of the consolidated entity throughout the year at meetings of the Board of Directors and key management personnel.

An annual risk review involving all areas of the business is conducted with a report and recommendations presented to the board at the conclusion of the review. The consolidated entity has, to date, identified the following financial risks:
(a) Foreign currency risk
(b) Interest rate risk
(c) Credit risk
(d) Liquidity risk
(e) Fair values

The Board of Directors have overall responsibility for identifying and managing operational and financial risks.

The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposing the consolidated entity to the risk of exchange rate fluctuations. The consolidated entity’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.

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Currency risk

It is the policy of the consolidated entity to continually monitor its currency risk, which may include entering into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates to reduce this risk. The objective in entering the forward exchange contracts is to protect the consolidated 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 in AUD of the consolidated entities monetary assets denominated in foreign currencies were as follows:

	Assets		Liabilities	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
European Euros	3,042	-	2,459	2,725
US dollars	1,543	50	1,829	245

On 7 March 2012, the consolidated entity entered into a foreign exchange contract to sell 2,000,000 EUR and purchase AUD on 27 February 2015 at an exchange rate of 0.7322 AUD/EUR. The deal was closed out on 16 January 2015 at the net fair value of $120,930 loss (2014: $217,738 loss) (Refer Note 17).

Sensitivity

The consolidated entity is mainly exposed to European Euros (EUR), US dollars (USD) and Argentinean pesos (ARS). Contracts for sale of olive oil to the international market are generally denominated in EUR. Some contracts for the sale of olive oil are also entered into in USD when selling to the US market and markets around the world where the local currency is not considered appropriate for the transaction. The exposure to ARS is as a result of the consolidated entity's investment in land suitable for the establishment of an olive grove in Argentina. A subsidiary of the consolidated entity, Boundary Bend Estate Pty Ltd, that owns this land, has been determined to have a functional currency of ARS at balance date. The US based entities (Boundary Bend Olives, Inc; Boundary Bend Assets, Inc. and Boundary Bend, Inc.) have a functional currency of USD. Exposure to all other foreign currencies is incidental to the trading of the consolidated 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 10% 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 10% has been chosen as it represents what may occur in any financial year.

	2015	**2014**
+ / - 10% United States dollars	**$'000**	**$'000**
Impact on profit after tax	178	20
Impact on equity	(175)	-
+ / - 10% Argentinean pesos		
Impact on profit after tax	-	-
Impact on equity	72	72
+ / - 10% European Euros		
Impact on profit after tax	(58)	277
Impact on equity	-	-

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk

The consolidated entity is exposed 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, because the consolidated entity borrows funds at both fixed and floating interest rates.

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

The consolidated entity's exposures to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

Sensitivity

The following sensitivity analysis has been determined based on the consolidated entity’s exposure to long term debt obligations. Changes in interest rates would also have an effect on the interest received by the consolidated entity, 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 (1.00%), either up or down, in the prevailing interest rate at the end of the financial year applied to outstanding 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.

Taking into consideration the variable interest rate instruments at reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the consolidated entity’s net profit would decrease/increase:

	2015	**2014**
+ / - 1% interest rate	**$'000**	**$'000**
Impact on profit before tax	530	530

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparts to the contract to meet their obligations. The credit risk exposure of forward exchange contracts is the net fair value of these contracts.

The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the consolidated entity's short, medium and long-term funding and liquidity management requirements. The Consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The tables below include the weighted average effective interest rate.

Year ended 30 June 2015	**Weighted average effective interest rate**	**< 6 months**	**6-12 months**	**1-5 years**	**Total**
	%	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets:					
Non interest bearing assets	0.00	14,645	-	-	14,645
Variable interest rate instruments					
- Cash	0.41	1,782	-	-	1,782
- Amounts receivable from directors and key management personnel	0.00	-	9	-	9
Financial liabilities:					
Non interest bearing liabilities	0.00	12,719	-	-	12,719
Variable interest rate instruments					
- Bank loans	3.61	-	-	41,855	41,855
Fixed interest rate instruments					
- Bank loans	6.52	-	-	20,000	20,000
- Finance lease liability	4.76	383	467	639	1,489
- Hire Purchase/Chattel Mortgage liability	5.57	842	1,442	8,896	11,180
Year ended 30 June 2014					
Financial assets:					
Non interest bearing assets	-	9,655	-	-	9,655
Variable interest rate instruments					
- Cash	1.06	2,504	-	-	2,504
- Amounts receivable from directors and key management personnel	6.20	-	52	-	52
Financial liabilities:					
Non interest bearing liabilities	-	9,860	-	-	9,860
Variable interest rate instruments					
- Bank loans	4.57	-	-	52,980	52,980
Fixed interest rate instruments					
- Bank loans	8.17	-	-	5,000	5,000
- Finance lease liability	6.56	383	676	1,187	2,246
- Hire Purchase/Chattel Mortgage liability	6.09	842	684	3,976	5,501

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair values

The 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.

NOTE 28: CONSOLIDATED ENTITY DETAILS

The registered office of the consolidated entity is:

151 Broderick Road
LARA VICTORIA 3212

NOTE 29: SHARE BASED PAYMENTS

(a) Employee option plan

The consolidated entity has an ownership-based compensation scheme for employees, officers and consultants.

Each option converts into one ordinary share of Boundary Bend Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

NOTE 29: SHARE BASED PAYMENTS (CONTINUED)

Details of the options granted are provided below:

Grant date	Expiry date	Exerc-ise price	Fair value at grant date	Balance at beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Exercis-able at end of the year
2015									
31-Oct-11	31-Oct-14	$1.60	$1.50	150,000	-	(150,000)	-	-	-
15-Feb-12	15-Feb-17	$1.50	$1.50	150,000	-	-	-	150,000	150,000
30-Jun-12	30-Jun-15	$1.80	$1.30	100,000	-	(100,000)	-	-	-
30-Jun-12	30-Jun-15	$1.60	$1.30	2,000,000	-	(2,000,000)	-	-	-
01-Nov-12	01-Nov-16	$1.50	$1.30	375,000	-	-	-	375,000	375,000
15-Nov-12	01-Nov-16	$1.55	$1.30	1,250,000	-	-	-	1,250,000	1,250,000
15-Feb-13	01-Nov-16	$1.50	$1.50	275,000	-	-	-	275,000	150,000
20-Sep-13	30-Jun-15	$1.60	$1.50	200,000	-	(200,000)	-	-	-
10-Dec-13	01-Dec-16	$2.50	$2.40	375,000	-	-	-	375,000	375,000
15-Mar-14	01-Dec-16	$2.50	$2.40	52,083	-	-	-	52,083	52,083
01-May-14	01-May-20	$2.50	$2.40	300,000	-	-	-	300,000	-
10-Nov-14	10-Nov-24	$4.00	$3.30	-	3,600,000	-	-	3,600,000	-
09-Dec-14	09-Dec-17	$3.80	$3.30	-	300,000	-	-	300,000	300,000
				5,227,083	3,900,000	(2,450,000)	-	6,677,083	2,652,083
Weighted average exercise price:				$1.70	$3.98	$1.61	$0.00	$3.07	$1.94
2014									
31-Oct-11	31-Oct-14	$1.60	$1.50	200,000	-	(50,000)	-	150,000	150,000
15-Feb-12	15-Feb-17	$1.50	$1.50	150,000	-	-	-	150,000	150,000
30-Jun-12	30-Jun-15	$1.80	$1.30	100,000	-	-	-	100,000	100,000
30-Jun-12	30-Jun-15	$1.60	$1.30	2,150,000	-	(150,000)	-	2,000,000	1,050,000
01-Nov-12	01-Nov-16	$1.50	$1.30	375,000	-	-	-	375,000	375,000
15-Nov-12	01-Nov-16	$1.55	$1.30	1,250,000	-	-	-	1,250,000	1,250,000
15-Feb-13	01-Nov-16	$1.50	$1.50	275,000	-	-	-	275,000	150,000
20-Sep-13	30-Jun-15	$1.60	$1.50	-	200,000	-	-	200,000	200,000
10-Dec-13	01-Dec-16	$2.50	$2.40	-	375,000	-	-	375,000	375,000
15-Mar-14	01-Dec-16	$2.50	$2.40	-	52,083	-	-	52,083	52,083
01-May-14	01-May-20	$2.50	$2.40	-	300,000	-	-	300,000	-
				4,500,000	927,083	(200,000)	-	5,227,083	3,852,083
Weighted average exercise price:				$1.57	$2.31	$1.60	$0.00	$1.70	$1.67

(b) Fair value of share options granted in the year

There were 3,900,000 options granted during the year (2014: 927,083). Options were priced using the Black-Scholes option pricing model. Expected volatility is based on relevant industry benchmark, as the consolidated entity does not have an reasonable measure of its own volatility.

	Options series	
Inputs into the model	10-Nov-14	9-Dec-14
Number of options issued	3,600,000	300,000
Exercise price	$4.00	$3.80
Grant date share price	$3.30	$3.30
Expected volatility	27%	27%
Option life	10.1 years	3 years
Dividend yield	4%	4%
Risk-free interest rate	3.28%	2.31%

NOTE 29: SHARE BASED PAYMENTS (CONTINUED)

(c) Share options exercised during the year

- 150,000 options granted on 31 October 2011 were exercised on 30 October 2014
- 150,000 options granted on 30 June 2012 were exercised on 22 January 2015
- 50,000 options granted on 30 June 2012 were exercised on 17 June 2015
- 150,000 options granted on 30 June 2012 were exercised on 19 June 2015
- 200,000 options granted on 30 June 2012 were exercised on 23 June 2015
- 1,550,000 options granted on 30 June 2012 were exercised on 25 June 2015
- 200,000 options granted on 20 September 2013 were exercised on 25 June 2015

(d) Options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of $3.07 (2014: $1.70), and a weighted average remaining contractual life of 2,150 days (2014: 697 days).

NOTE 30: DIVIDENDS

	2015 $'000	2014 $'000
Dividends declared and payable at $0.10 per share fully partially franked (2014: $0.10 per share fully franked)	5,201	4,908
Balance of franking account on a tax paid basis 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:	9	128

NOTE 31: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ‘Financial Instruments’, and the relevant amending standards	1 January 2018	30 June 2019
AASB 15: Revenue from Contracts with Customers and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 ‘Amendments to Australian Accounting Standards – Agriculture: Bearer Plants’	1 January 2016	30 June 2017
AASB 2014-9 ‘Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements’	1 January 2016	30 June 2017
AASB 2015-1 ‘Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle’	1 January 2016	30 June 2017
AASB 2015-2 ‘Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101’	1 January 2016	30 June 2017
AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality’	1 July 2015	30 June 2016

The directors anticipate that the adoption of AASB 15 and AASB 2014-6 in the future may have a material financial impact on the amounts reported and disclosures made in the financial statements of the consolidated entity. However it is not practicable to provide a reasonable estimate of the effects of AASB 15 and AASB 2014-6 until the Group performs a detailed report.

These Standards and Interpretations will be first applied in the financial report of the consolidated entity that relates to the annual reporting period beginning after the effective date of each pronouncement.

NOTE 32: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Boundary Bend Limited and controlled entities, financial statements:

(a) Summarised parent statement of financial position

	2015 $'000	2014 $'000
Assets		
Current assets	148	3,153
Non-current assets	121,501	112,532
Total assets	121,649	115,685
Liabilities		
Current liabilities	13,354	436
Non-current liabilities	51,533	57,980
Total liabilities	64,887	58,416
Net assets	56,762	57,269
Equity		
Share capital	77,331	71,250
Retained earnings	(20,375)	(15,367)
Reserves	-	-
Share based payments reserve	1,202	1,386
Cash flow hedge reserve	(1,396)	-
Total equity	56,762	57,269

(b) Summarised parent statement of comprehensive income

	2015 $'000	2014 $'000
Profit/(loss) for the year	193	678
Other comprehensive income for the year	-	-
Total comprehensive income for the year	193	678

(c) Parent entity guarantees

The bank loans are secured by a general security interest over the assets and undertakings of Boundary Bend Limited and its Australian subsidiaries. The bank also has mortgages over the real properties owned by the consolidated entity Australian subsidiaries. All Australian subsidiaries guarantee the bank loans.

(d) Parent entity contingent liabilities

There are no contingent liabilities as at 30 June 2015.

(e) Parent entity contractual commitments

The parent entity has no contractual commitments for the acquisition of property, plant or equipment.

NOTE 33: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2015.

NOTE 34: KEY MANAGEMENT PERSONNEL COMPENSATION

Details of key management personnel
The directors and other members of key management personnel of the consolidated entity during the year were:

R.D. McGavin (Executive Chairman)
P.C. Riordan (Executive Director)
L.M. Ravetti (Technical Director)
T.A. Jonas (Non-executive Director)
C.P. Ball (Non-executive Director)
J. West (Non-executive Director)
T.F. Smith (Sales and Marketing Director)
M. Bailey (Non-executive Director)
S.J. Beaton (Company Secretary, Chief Financial Officer, Chief Operating Officer)

Key management personnel compensation
The aggregate compensation made to key management personnel of the consolidated entity is set out below:

	2015 $	2014 $
Compensation received by key management personnel of the consolidated entity:		
- short-term employee benfits	1,889,950	1,696,640
- post-employment benefits	88,842	82,395
- share based payments	281,728	281,562
	2,260,520	2,060,597

NOTE 35: SUBSEQUENT EVENTS

On 31 August 2015, Boundary Bend Limited signed a credit approved term sheet to increase and extend its existing debt facilities with the CBA. The general terms of the facilities will be similar to the existing facilities, and all facilities will be in place for a period of 5 years from when the new documents are signed. Once documented, Boundary Bend will have the following debt facilities:

- Core Debt	A$58.00 million
- Working Capital Debt	A$16.00 million ($12.00 million of this available from 1 February 2016)
- US Debt	US$10.5 million

No other subsequent events have occurred since year end.

NOTE 36: COMMITMENTS FOR EXPENDITURE

At 30 June 2015 there were the following commitments for expenditure:

- Plant & Equipment for US	US$2.39 million
- Building construction for US	US$0.76 million

DIRECTORS' DECLARATION

The directors of the consolidated entity declare that:

1. The financial statements and notes, as set out on pages 25 - 68, are in accordance with the *Corporations Act 2001* :

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

    (b) as stated in Note 1, the financial statements also comply with International Financial Reporting Standards; and

    (c) give a true and fair view of the financial position as at 30 June 2015 and performance for the year ended on that date of the consolidated entity.

2. In the directors' opinion there are reasonable grounds to believe that the consolidated entity 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: Tim Jonas

Dated this 25th day of September 2015

Deloitte.

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

Report on the Financial Report

We have audited the accompanying financial report of Boundary Bend Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 25 to 69.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply 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. Those 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 company's preparation of the financial report that gives a true and fair view, 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 company'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Boundary Bend Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 22 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Boundary Bend Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants
Melbourne, 25 September 2015