

**BOUNDARY  
BEND**  

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**LIMITED**



**Boundary Bend Limited  
and controlled entities  
ABN 32 115 131 667**

Half-year report  
For the six months ended 31 December 2015

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

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**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

**Directors' Report**

The directors of Boundary Bend Limited submit the financial report of Boundary Bend Limited and its subsidiaries (consolidated entity) for the half-year ended 31 December 2015.

**Directors**

The names of the directors in office at any time during the half year or until the date of this report are:

Mr. Robert McGavin  
Mr. Paul Riordan  
Mr. Leandro Ravetti  
Mr. Tim Jonas  
Mr. Craig Ball  
Mr. Jonathan West  
Mr. Timothy Smith  
Mr. Matthew Bailey  
Mr. Samuel Beaton

**Review of operations**

The consolidated entity reported a post tax loss of \$4,500,000 (2014: \$2,722,000 loss), which included a post tax loss of \$2,248,000 from Australian operations (2014: \$2,129,000 loss) and a post tax loss of \$2,252,000 from US operations (2014: \$593,000 loss).

The consolidated entity also reported positive cash flows from operations of \$14,327,000 compared to \$1,570,000 for the same period last year.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 4 of the half-year report.

**Rounding**

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.



Mr. Robert McGavin  
Director



Mr. Tim Jonas  
Director

Dated 10th March 2016

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

10 March 2016

Dear Board Members

**Boundary Bend Limited**

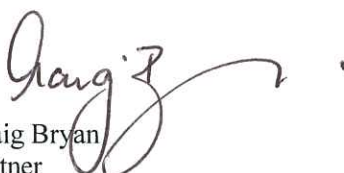
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Boundary Bend Limited.

As lead audit partner for the review of the financial statements of Boundary Bend Limited for the half-year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

  
Craig Bryan  
Partner  
Chartered Accountant

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

**Condensed consolidated statement of profit and loss**  
**for the half-year ended 31 December 2015**

	<b>Consolidated</b>	
	<b>Half-year ended</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>Note</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Sales revenue		67,599
Other revenue		45,589
		1,046
		<u>68,645</u>
		<u>46,636</u>
<b>Expenses</b>		
Cost of sales		(61,415)
Administration expenses		(40,853)
Distribution expenses		(3,924)
Marketing expenses		(2,769)
Occupancy expenses		(2,918)
Finance costs		(592)
Other expenses		(1,687)
		<u>(193)</u>
		<u>(74,076)</u>
		<u>(50,521)</u>
Loss for the period before income tax benefit		(5,431)
Income tax benefit		(3,885)
		<u>931</u>
		<u>1,163</u>
<b>Loss for the period</b>		<b><u>(4,500)</u></b>
		<b><u>(2,722)</u></b>

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES

ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Condensed consolidated statement of other comprehensive income  
for the half-year ended 31 December 2015

	Consolidated Half-year ended	
	31 Dec 2015	31 Dec 2014
	\$'000	\$'000
<b>Loss for the period</b>	(4,500)	(2,722)
<b>Other comprehensive income, net of income tax</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	(500)	409
Loss on hedging instruments through cash flow hedge reserve	(478)	(1,691)
Income tax relating to items that may be reclassified subsequently to profit or loss	-	507
<b>Other comprehensive loss for the period</b>	<u>(978)</u>	<u>(775)</u>
<b>Total comprehensive loss for the period</b>	<u><b>(5,478)</b></u>	<u><b>(3,497)</b></u>
<b>Loss attributable to:</b>		
Owners of Boundary Bend Limited and controlled entities	(4,500)	(2,722)
	<u>(4,500)</u>	<u>(2,722)</u>
<b>Total comprehensive loss attributable to:</b>		
Owners of Boundary Bend Limited and controlled entities	(5,478)	(3,497)
	<u>(5,478)</u>	<u>(3,497)</u>

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES

ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Condensed consolidated statement of financial position  
as at 31 December 2015

	Consolidated	
	31 Dec 2015	30 Jun 2015
Note	\$'000	\$'000
<b>Current assets</b>		
Cash and cash equivalents	3,670	1,782
Trade and other receivables	15,115	14,654
Inventory	34,109	66,834
Biological assets	17,323	609
Other assets	3,387	1,756
<b>Total current assets</b>	<b>73,604</b>	<b>85,635</b>
<b>Non-current assets</b>		
Trade and other receivables	123	116
Biological assets	76,012	76,012
Other financial assets	128	126
Intangible assets	6,678	6,472
Property, plant and equipment	101,665	93,748
<b>Total non-current assets</b>	<b>184,606</b>	<b>176,474</b>
<b>Total assets</b>	<b>258,210</b>	<b>262,109</b>
<b>Current liabilities</b>		
Trade and other payables	17,369	12,719
Borrowings	4 2,948	16,134
Provisions	818	1,835
Current tax liabilities	3	3
Other financial liabilities	166	250
Other liabilities	6,979	2,140
<b>Total current liabilities</b>	<b>28,283</b>	<b>33,081</b>
<b>Non-current liabilities</b>		
Borrowings	4 70,698	58,390
Provisions	104	104
Deferred tax liabilities	18,438	19,373
Other financial liabilities	1,707	1,146
Other liabilities	831	1,603
<b>Total non-current liabilities</b>	<b>91,778</b>	<b>80,616</b>
<b>Total liabilities</b>	<b>120,061</b>	<b>113,697</b>
<b>Net assets</b>	<b>138,149</b>	<b>148,412</b>
<b>Equity</b>		
Share capital	5 77,898	77,331
Reserves	(2,195)	(1,356)
Retained earnings	62,446	72,437
<b>Total equity</b>	<b>138,149</b>	<b>148,412</b>

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES  
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HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Condensed consolidated statement of changes in equity  
for the half-year ended 31 December 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
<b>Consolidated</b>						
Balance at 1 July 2014	71,250	(1,446)	1,386	-	63,204	134,394
Loss for the period	-	-	-	-	(2,722)	(2,722)
Exchange differences arising on translation of foreign operations	-	409	-	-	-	409
Fair value adjustments to non-current assets	-	-	-	(1,184)	-	(1,184)
<b>Total comprehensive loss for the period</b>	-	<b>409</b>	-	<b>(1,184)</b>	<b>(2,722)</b>	<b>(3,497)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Proceeds from share issue	240	-	-	-	-	240
Dividends provided for	-	-	-	-	(5,186)	(5,186)
Options exercised	62	-	(62)	-	-	-
Share based payments expense	-	-	194	-	-	194
<b>Total transactions with owners in their capacity as owners</b>	<b>302</b>	<b>-</b>	<b>132</b>	<b>-</b>	<b>(5,186)</b>	<b>(4,752)</b>
<b>Balance at 31 December 2014</b>	<b>71,552</b>	<b>(1,037)</b>	<b>1,518</b>	<b>(1,184)</b>	<b>55,296</b>	<b>126,145</b>
Balance at 1 July 2015	77,331	(1,163)	1,202	(1,395)	72,437	148,412
Loss for the period	-	-	-	-	(4,500)	(4,500)
Exchange differences arising on translation of foreign operations	-	(500)	-	-	-	(500)
Fair value loss on hedging instruments entered into for cash flow hedges	-	-	-	(478)	-	(478)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>(500)</b>	<b>-</b>	<b>(478)</b>	<b>(4,500)</b>	<b>(5,478)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends provided for	-	-	-	-	(5,491)	(5,491)
Options exercised	567	-	(67)	-	-	500
Share based payments expense	-	-	206	-	-	206
<b>Total transactions with owners in their capacity as owners</b>	<b>567</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>(5,491)</b>	<b>(4,785)</b>
<b>Balance at 31 December 2015</b>	<b>77,898</b>	<b>(1,663)</b>	<b>1,341</b>	<b>(1,873)</b>	<b>62,446</b>	<b>138,149</b>



**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**

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**HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

**Condensed consolidated statement of cash flows  
for the half-year ended 31 December 2015**

	<b>Consolidated Half-year ended</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	68,469	44,330
Payments to suppliers and employees	(52,509)	(40,458)
Interest received	5	4
Interest paid	(1,635)	(1,919)
Income tax paid	(3)	(387)
Net cash generated by operating activities	<u>14,327</u>	<u>1,570</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	163	225
Payments for land, property, plant and equipment	(9,799)	(2,786)
Payments for biological assets	-	(783)
Payments for intangibles/rights	(205)	-
Net cash used in investing activities	<u>(9,841)</u>	<u>(3,344)</u>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	500	240
Net (repayment) / proceeds of borrowings	(2,098)	745
Payment for water lease termination	(1,000)	(1,000)
Net cash used in financing activities	<u>(2,598)</u>	<u>(15)</u>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	1,782	2,504
Net increase / (decrease) in cash and cash equivalents	<u>1,888</u>	<u>(1,789)</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>3,670</u></u>	<u><u>715</u></u>

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**

**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

**Notes to the condensed consolidated financial statements**

**1. Significant accounting policies**

**Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**Basis of preparation**

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

The adoption of all new and revised Standards and Interpretations has not resulted in any changes to the group's accounting policies and has no effect on the amounts reported for the current or prior period. New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the consolidated entity include:

- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)
- AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality).

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**

ABN 32 115 131 667

**HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015****2. Dividends paid and proposed**

On 23 October 2015, the directors declared a dividend of 10 cents per share to the holders of fully paid ordinary shares in respect of the full-year ended 30 June 2015. The dividend which was unfranked was paid to shareholders on 12 February 2016 (record date 29 January 2016). The dividend payable recorded in the Financial Statements at 31 December 2015 is \$5,491,504. (2014: \$5,185,811)

A Dividend Reinvestment Plan (DRP) was not offered to shareholders.

**3. Results for the period**

There are no individually significant items charged to the statement of profit and loss for the half-year ended 31 December 2015.

**4. Borrowings**

In October 2015, BBL revised the facility agreement with Commonwealth Bank of Australia. The bank facilities of the consolidated entity are summarised as follows:

Facility	Limit AUD \$'000	Drawn at 31 Dec 2015 AUD \$'000	Term
Core Debt	58,000	52,980	Matures August 2020
Working Capital Debt	16,000	-	Matures August 2020 *
	<b>74,000</b>	<b>52,980</b>	

Facility	Limit USD \$'000	Drawn at 31 Dec 2015 USD \$'000	Term
Domestic Foreign Currency Account Facility	10,500	6,500	Matures August 2020
	<b>10,500</b>	<b>6,500</b>	

\* of the \$16 million, \$12 million is not available until 1 February 2016.

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**

ABN 32 115 131 667

**HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015****4. Borrowings (Continued)**

	31 Dec 2015	30 Jun 2015
	\$'000	\$'000
CURRENT		
<i>Secured liabilities</i>		
Bank loans	-	13,000
Finance lease liability	518	850
Hire purchase/chattel mortgage liability	2,430	2,284
	<u>2,948</u>	<u>16,134</u>
NON CURRENT		
<i>Secured liabilities</i>		
Bank loans	61,887	48,855
Finance lease liability	513	639
Hire purchase/chattel mortgage liability	8,298	8,896
	<u>70,698</u>	<u>58,390</u>

**5. Share capital**

Issued capital as at 31 December 2015 amounted to \$77,898,501 (54,915,042 ordinary shares).

During the half-year, the company issued 250,000 ordinary shares for a \$500,000 cash payment on exercise of 250,000 share options issued under its employee share option plan. As a result of this share issue, \$67,500 was transferred from the share based payments reserve to issued capital. There were no other movements in the ordinary share capital or other issued share capital of the company in the current or prior half-year.

The company issued 324,000 share options (2014: 3,900,000) over ordinary shares under its share based payments plan during the half-year. These options were issued to two non-executive directors as their annual directors fees. These options expire in 3 years and vest immediately with an exercise price of \$3.80 per option.

The company also issued 500,000 share options to senior employees (2014: 3,600,000). These options vest over a five year period with an exercise price of \$3.80 per option.

**6. Key management personnel**

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

**7. Subsequent events**

Subsequent to balance date the consolidated entity entered into an agreement to buy extra virgin olive oil with a value in the order of \$12.1m, to be taken by 31 December 2016.

There have not been any other matters or circumstances occurring subsequent to the end of the half year ended 31 December 2015, that have significantly affected, or may significantly affect the operations of the group, the results of these operations, or the state of affairs of the company in future financial periods.

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

**Directors' Declaration**

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Mr. Robert McGavin  
Director



Mr. Tim Jonas  
Director

Dated 10th March 2016

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

We have reviewed the accompanying half-year financial report of Boundary Bend Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2015, and the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 13.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Boundary Bend Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## *Auditor's Independence Declaration*

In conducting our review, 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 review report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Boundary Bend Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Craig Bryan  
Partner  
Chartered Accountants  
Melbourne, 10 March 2016