Boundary Bend Limited and controlled entities

ABN 32 115 131 667

Financial report
For the year ended 30 June 2017

BOUNDARY BEND
LIMITED
Australia's premier olive company

September 2017

Dear Shareholders

Financial Results

Results

The consolidated entity's (Boundary Bend Limited) 2017 profit after tax is $12.83 million compared with last year's loss after tax of $0.82 million.

The trading profit before tax was $20.97 million, which was predominantly driven by the larger 2017 crop of 13.2 million litres (see detailed explanation below), compared with 9.7 million litres in 2016. From an EBITDA[1] perspective, the Company reported $35.19 million, compared to $13.56 million in 2016.

It is important to note that this year we again continued to invest heavily in our four stated growth strategies. These growth costs were consistent with our budgeted expenditure in the following key areas:

- Branded sales and market development to drive increased returns per litre at farm gate;
- Our investment in establishing Boundary Bend's USA business;
- Increasing yields from existing groves and new grove plantings, and;
- Research and Development focused on innovative ways to value-add existing olive waste streams and by-products.

Under the new accounting standard relating to olive trees (refer below for further detail), the expenses relating to our immature groves are now capitalised and therefore do not impact our EBITDA. However, the expenditure relating to the other three growth costs has reduced our reporting EBITDA by over $11.3 million[2], but we anticipate this expenditure will help drive sustainable long-term earnings growth.

In summary, the EBITDA would have been in the order of $46.5 million ($0.81 cents per share[3]) in the event that we were not investing in our four future growth strategies. This comment is only made to give an indication as to the underlying performance of the established part of our business, and the actual result is, of course, as reported.

Year ending 30 June	**2017 ($'000)**	**2016 ($'000)**
EBITDA	**35,191**	**13,559**
Depreciation and amortisation	(10,774)	(10,525)
Interest	(3,449)	(3,419)
Profit before tax	**20,968**	**(385)**
Income tax expense	(8,134)	(434)
Profit after income tax expense	**12,834**	**(819)**

[1] Earning before deducting interest, tax and depreciation / amortisation
[2] Expenditure of $11.3m represented by; $6.8m on the USA operations, $2.5m on innovation and value-add and an estimated $2m on driving increased farm gate returns. These adjustments are non-IFRS and unaudited.
[3] Based on ordinary shares on issue at 30 June 2017

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 is generated as the oil is sold, meaning that profit does not align with the company's cash flows. In summary, reported end of year profit is not easily predictable as it is very sensitive to each year's harvest yields but conversely trading profit each month is highly stable and predictable as customers purchase consistently throughout the year.

Boundary Bend reported a positive operating cashflow[4] of $15.82 million for the 2017 financial year, compared to $16.47 million in 2016.

As at 30 June 2017 Boundary Bend had net assets of $154.23 million or $2.70 per share and reported gross assets for the company were $297.24 million. However, it is estimated that it would cost over $510 million[5] (or approximately $9 per share), to replicate the gross assets of the Company.

The drawn bank debt position at 30 June 2017, in Australian dollars, was $84.16 million, leaving an unused facility limit of $3.5 million. The term of the facility extends out to October 2020. At 30 June 2017, the gearing level of Boundary Bend was 31.81%, which compared to 32.09% at 30 June 2016.

Restated Accounts

This is the first annual report where we have adopted the revised accounting standard relating to the treatment of Bearer Plants (i.e. our olive trees). In previous reporting periods, the value of olive trees was recorded at fair value under AASB 141 Agriculture, and any movement in fair value was included in the profit or loss account for the period. Under changes to the accounting treatment, olive trees will now be assessed under the AASB 116 Property Plant and Equipment accounting standard, and we have opted to record the trees at cost and depreciate the cost over their useful life. Costs associated with young trees will be capitalised until such time as they are commercially producing olives.

In addition, AASB 118 Revenue requires revenue to be measured at the fair value of consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed. In the past, all trade discounts and rebates have been recorded by Boundary Bend as a cost of sale, and not netted from revenue. In accordance with the standard and the enhanced revenue standard that are expected to be mandatory in 2 years' time, Boundary Bend has netted these costs from its revenue. This has no impact on reported profit, but does decrease the level of gross sales being reported, and conversely decreases the costs of sales by the same amount.

As required under accounting standards, the comparative Profit or Loss, Balance Sheet and Cash Flows have been restated to account for this new treatment. The impact of these restatements is set out in Note 3 of the Financial 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. Most operating costs are generally fixed and predictable and therefore any movement in gross revenue has a significant impact on profitability. The gross revenue

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[4] Operating cashflow is the cashflow generated from operating activities and payment of tax and interest. Operating cashflow excludes items such as capital expenditure, debt repayment, equity raising and dividends.

[5] Management estimate (unaudited), before deducting any debt or other liabilities.

relating to our olive oil is reasonably predictable but 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 in any one year is very difficult and likely to be misleading, we will not be providing a forecast for the coming year.

Dividend

It is the Board's intention to pay an un-franked dividend in February 2018 (the same month as last year). Further details including the amount, record and payment date will be announced at the AGM on the 27 October 2017. The dividends in recent years have been unfranked due to the Company being able to utilise carry forward tax losses. These tax losses are almost fully utilised, accordingly it is possible that after 30 June 2018 dividends may contain some franking.

Company Overview – summary of key activities / divisions

- **Cobram Estate:** Has Australian achieved retail sales of $62.17M in 2017 making it the number one selling retail brand of extra virgin olive oil in Australia by every measure: value (34.6% of market), volume (27.5% of market) and number of units sold (31.2% of units sold).

- **Red Island:** Has achieved retail revenue of $15.46M in 2017 making it the number four selling retail brand of extra virgin olive oil in Australia; Value (8.6% of market), volume (8.5% of market) and number of units sold (7.1% of units sold).

- **Marketing and Sales:** Boundary Bend is Australia's largest producer and marketer of Australian olive oil (producing approximately 65% of Australia's total production from its owned groves), supplying branded, private label and bulk Australian olive oil to customers globally.

- **Grove Operations:** Boundary Bend has owned and managed olive groves since 1999. The group has developed and now owns and operates 6,278 ha of irrigated olive groves (of which 52.5% are aged 10 years or less). Boundary Bend is in the top 3 producers of Extra Virgin olive oil in the world. This year Boundary Bend produced a staggering 13 times more extra virgin olive oil than the entire production of Tuscany in Italy in 2016.

- **Processing:** Boundary Bend owns and operates three large, modern, sophisticated milling plants. Both the Australian mills are individually in the top 10 in the world for processing capacity. Boundary Bend owns a smaller mill in the USA.

- **Oil Storage:** Boundary Bend has approximately 13 million litres of stainless steel storage all housed in modern sheds. Temperature, light and oxygen are controlled to ensure the oil is stored to the highest standard possible.

- **Bottling:** Our Lara facility houses Australia's largest olive oil filling and packaging business capable of producing up to 14,400 bottles per hour. The original Lara bottling line was shipped to our USA facility and is now operational.

EXECUTIVE CHAIRMAN'S REPORT

- **Technical Advice and Laboratory Services:** Advisory services, covering all aspects of the industry relating to project development, technical advice and applied research. The group also owns and operates two ISO accredited olive oil laboratories, one located at Lara and the other at our USA facility.

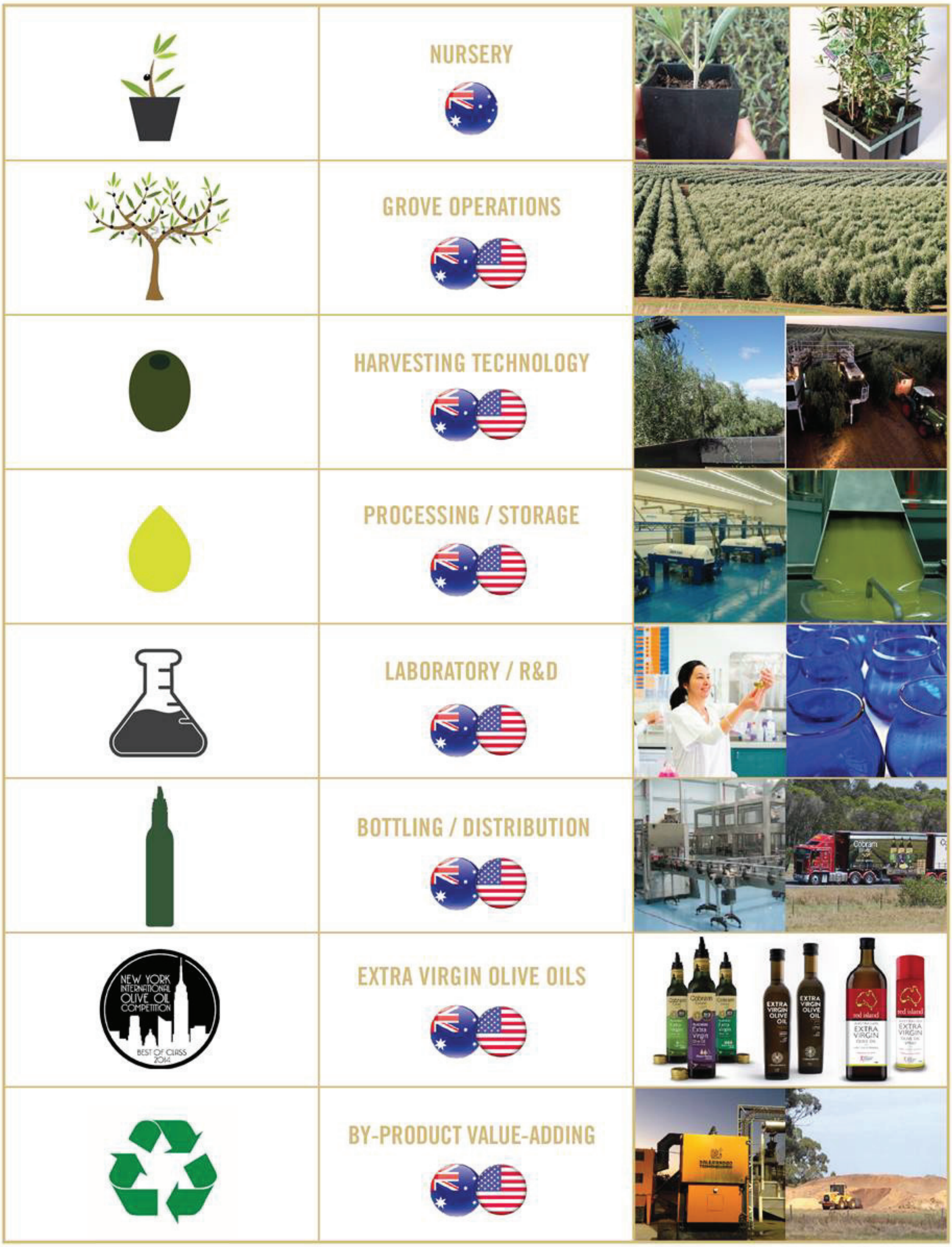
- **Nursery:** A large scale, specialist olive nursery supplying olive trees to commercial growers, wholesale, retail nurseries and national chain stores.

- **Innovation & Value Add:** A relatively new division tasked with value adding and commercialising various olive by-products.

- **US Operations:** In June 2014, the group set about replicating its Australian operations in the US. A commercial processing site was purchased which now accommodates the milling operation, laboratory, oil storage, office and bottling line. In March 2016, 150 acres were planted in addition to the groves to which the group currently provides management services and with which it has long term supply arrangements.

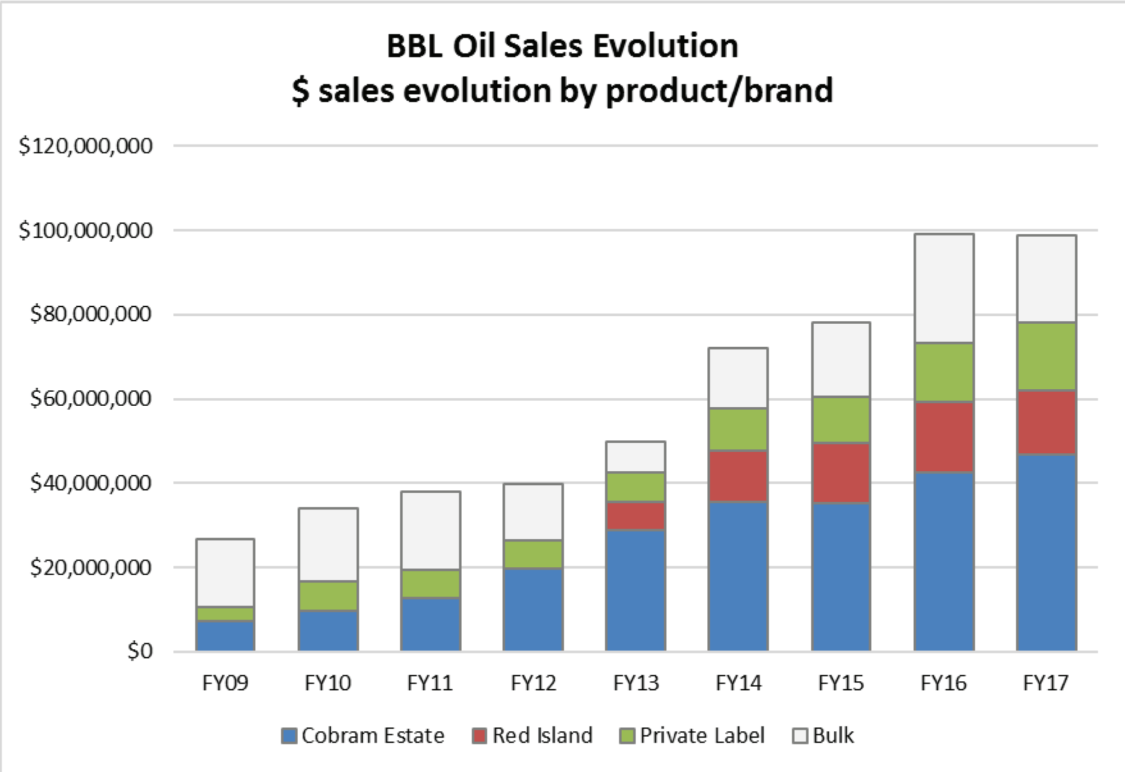
- **Global olive oil trading business:** Boundary Bend has a business based in the USA that sources, tests and certifies Extra Virgin olive oil from 3rd party growers in Europe, South America and Australia for supply to customers (mostly based in the USA) who are seeking a reliable supply of authentic, high quality Extra Virgin olive oil. As part of this business, Boundary Bend has a staff member based in Portugal to assist in sourcing high quality olive oil.

OUR INTEGRATED BUSINESS



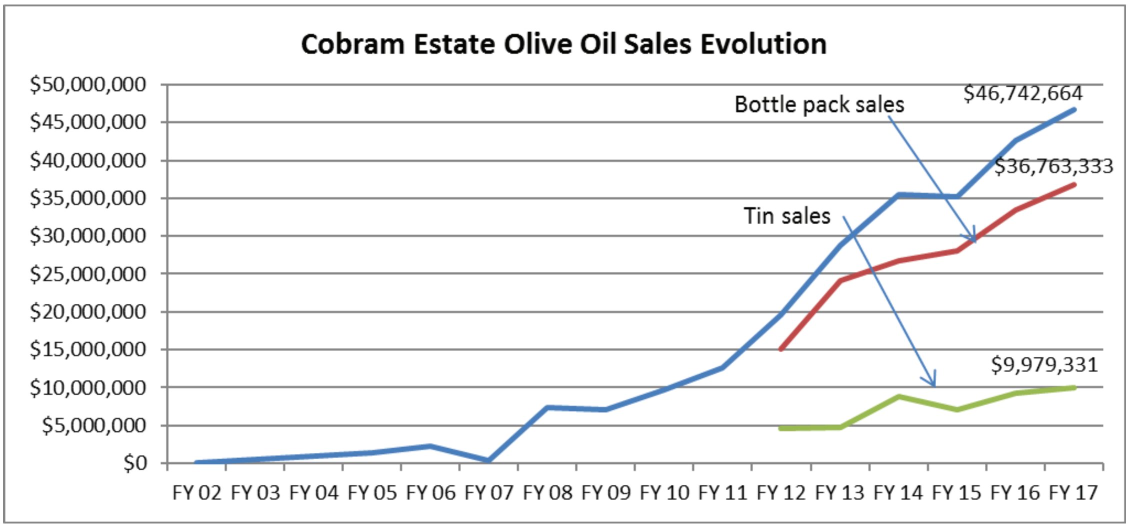
<u>Sales Summary</u>

During the past 12 months packaged goods sales (in a format such as bottles and tins that are shipped in cartons for retail sales) grew by 6.78% and bulk oil sales fell by 20.99%, resulting in overall dollar sales of olive oil for the group being flat. As a result of the growth in packaged goods in line with our strategy, we have seen an increase in our dollar per litre return in FY17. The bulk component was influenced by a lower harvest in 2016 and therefore having less bulk oil to sell in FY17.



Source: BBL, August 2017

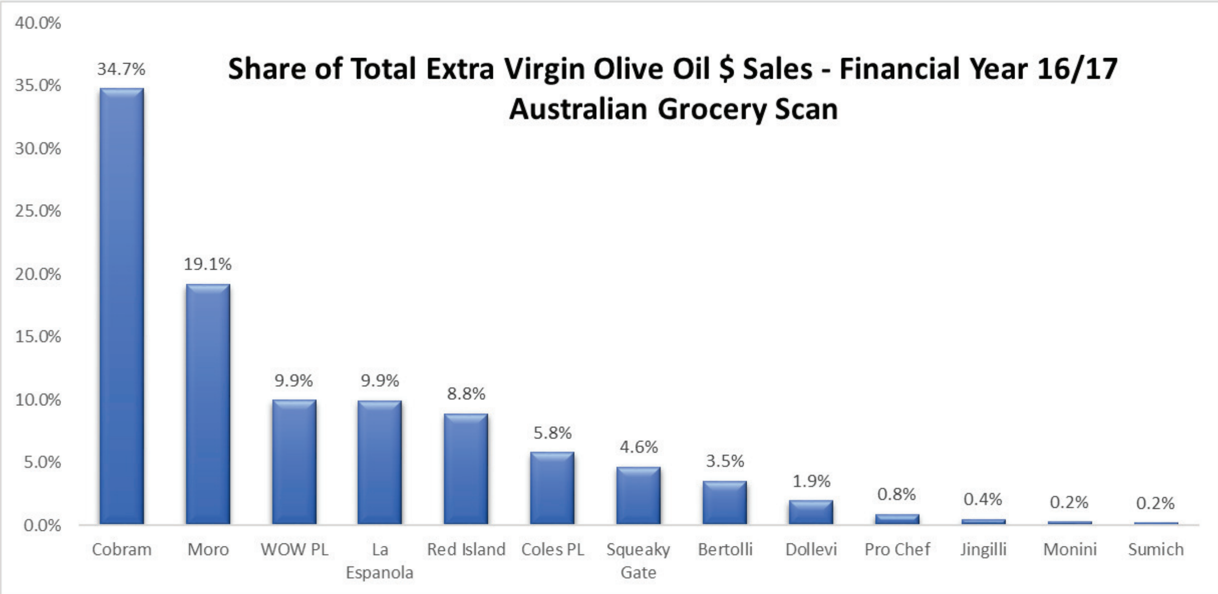
Cobram Estate has finished the year with 6% growth versus last year. To obtain growth while substantially decreasing promotional frequency and depth of promotion throughout the market, was a significant achievement. We have also managed to increase bottle sales at a faster percentage rate than tin sales. This is the product mix we have set out to achieve.



Source: BBL, August 2017

EXECUTIVE CHAIRMAN'S REPORT

In the Extra Virgin category, Cobram Estate is the clear market leader across the retail channel with our Red Island brand a clear number 4 brand[6].



Source: Aztec, August 2017 (note: MAT = Moving Annual Total)

The brand strength and consumer loyalty Cobram Estate has, is best demonstrated by the fact that the weighted average price a consumer pays for Cobram Estate (calculated after all discounts and promotions) is $12.71 per litre compared to the category average at $8.40 per litre.

Marketing Summary (Australia)

Sponsorships

In line with our objective of ***growing long-term sustainable baseline sales*** we secured two major partnerships across the year with MasterChef and Better Homes and Gardens (BH&G). This has enabled us to work with key influencers and help bust the most common myth that ***you can't cook with Extra Virgin Olive Oil.***

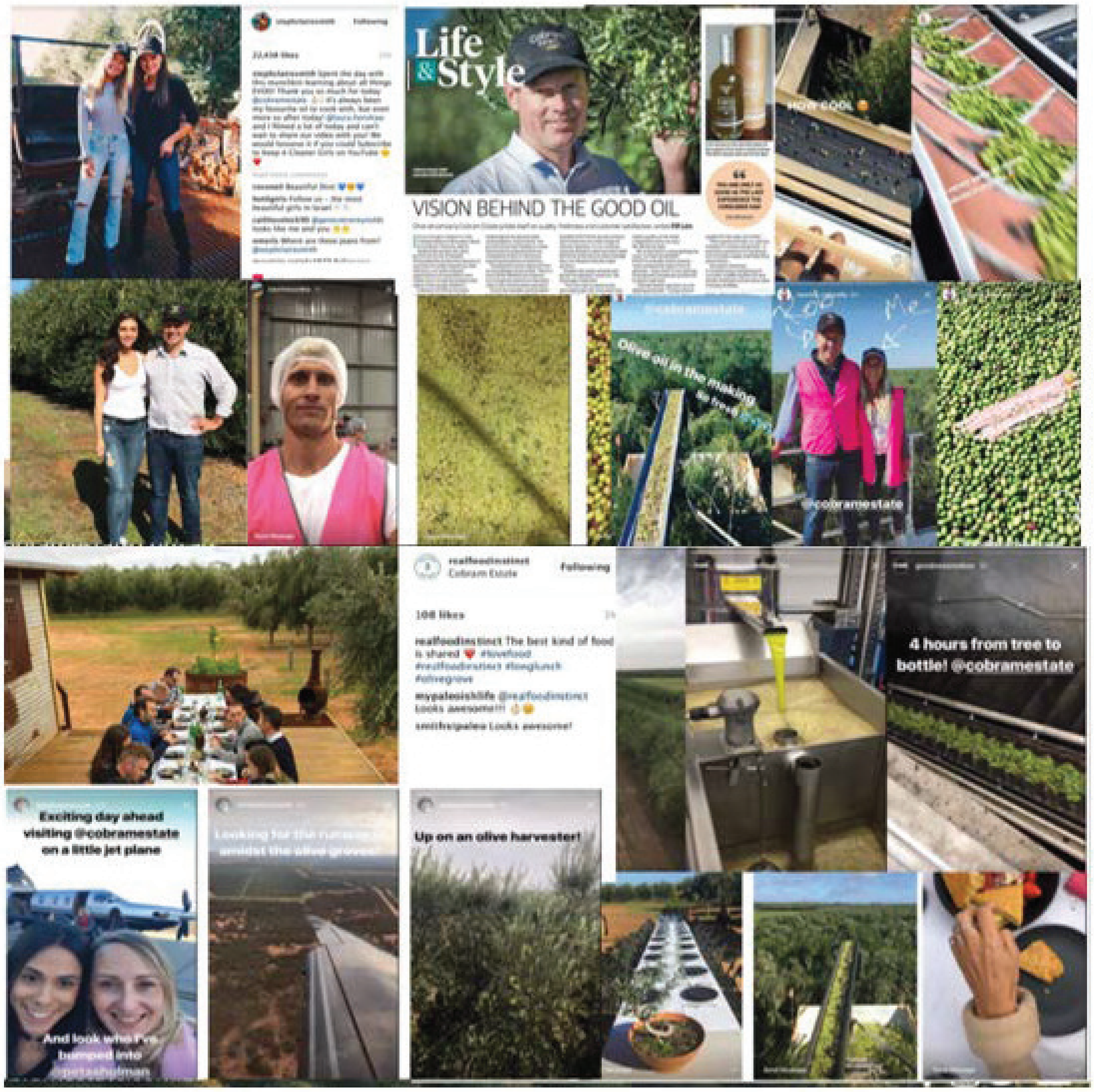
[6] Excluding Supermarket private label brands.

(June 2017: MasterChef and Better Homes and Gardens in-show/TVC imagery)

Harvest

During the year, we a built a brilliant shack in the heart of the groves to host approximately 150 guests over an 8-week period during harvest. These guests included all forms of media personalities, bloggers, nutritionists, dieticians, chefs, health and fitness influencers from all parts of Australia with a combined social media following of over 1.3 million followers and shared their experience with their followers through Instagram, Snapchat and YouTube. Collectively, from our invited guests we achieved a significant total reach of approximately 30.2 million through social media. The day included a tour of the groves, harvesters in action, milling the fruit, oil tasting and a delicious meal prepared at the shack by our USA based Chef Kevin O'Connor.

EXECUTIVE CHAIRMAN'S REPORT



(May 2017: Guests of Harvest)

Education Health Care Professionals

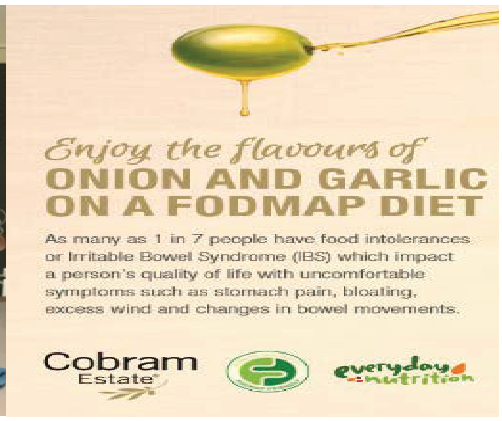
The Cobram Estate Health Care Professional Education Program continues to expand on the back of its successful implementation and is now in its third year. The health and nutrition team has grown to include the appointment of a full time in-house pharmacist and nutritionist and further integration of the program into the Technical and Value Add stream to support a global health focus.

Reach and delivery of key health messages through direct contact at events, digital platforms, affiliations, and public relations activities has grown from 10,000 to 40,000 targeted health professionals who influence consumer behaviors. This third year has included strategies that connect to new streams of health professionals whom Cobram Estate has not previously targeted, to further build return on investment with influencers with whom the everyday consumer engages for health and nutrition advice.

EXECUTIVE CHAIRMAN'S REPORT

As planned, the development of a long-term road map for this platform that also encompasses public health policy is well underway with formal submissions to key public health interventions that impact Extra Virgin Olive Oil already completed and ongoing strategies to effect change in place.

The program remains an important medium to long-term strategy of increasing health care professional and consumer knowledge, to help increase consumption of high quality Cobram Estate Extra Virgin Olive Oil. Internal market research in years two and three is already showing significant positive shifts in health professional knowledge and behavior regarding understanding and recommending Extra Virgin Olive Oil.



Awards

Cobram Estate continues to collect numerous domestic and international awards, and is arguably the most awarded extra virgin olive on earth. In the 2017 New York International Olive Oil Competition NYIOOC)., Boundary Bend received 6 Gold medals and 2 Best in Class trophies.

This year at the Health & Food, Extra Virgin Olive Oil Awards held in Spain, Boundary Bend won some very prestigious global awards including

1. The title of "Healthiest Oil in the World" was awarded to our Californian Mission (main component of the Cobram Estate California Select) which is only sold in the USA. This was judged on analytical laboratory tests which measured the key drivers of Extra Virgin Olive oil's health benefits such as Levels of Antioxidants, Fatty acid composition, Oleocanthal content amongst other things. A great achievement by our USA team.
2. Modern Olives (our fully owned Laboratory) as the winner of the "Best Institution for Research and Education for Extra Virgin Olive Oil, Oleocanthal and Phenols".
3. Leandro Ravetti (our technical director) was also the recipient of an award in the Master Milling/ Chemical Engineering Category.

USA Business

The US Business (100% owned by BBL) has continued to expand during FY17 and shows excellent growth opportunity for Boundary Bend for many years to come.

Why USA, Objectives / strategy

In Australia over the last 15 years, Boundary Bend has successfully pioneered all aspects of modern Extra Virgin production and sales to become a thriving and profitable vertically integrated olive company. We believe that in the USA and particularly California there exists an exciting opportunity to successfully leverage our experience, methods and people to emulate our Australian success. Total consumption in the USA is approximately 350,000 tons of olive oil per year but it only produces about 10,000 tons and consumption is continuing to grow. We believe the timing of our entry into the US olive industry is right and that our strategy is relatively low risk and potentially highly rewarding.

In an effort to emulate the success of the Australian business, Boundary Bend USA operates as a fully vertically integrated olive business with the following sites/functions:

- Fruit processing and oil storage at our Woodland facility has progressively expanded to cope with increasing fruit volumes and is about to commence its 3rd harvest.
- Laboratory – gained full American Oil Chemists Association accreditation in May 2017.
- Fruit supply contracts with existing 3rd party growers including technical advice and harvesting services where required.
- Oil packaging line fully operational in January 2017.
- Sales – bulk and branded strategy.
- Grove ownership – currently have 175 acres planted on long term (35 years) lease land.

The key difference between Australia and the USA is that we are and will continue to be reliant on fruit supply from existing 3rd party olive growers. To date we have been delighted by the overwhelming support shown to us by Californian olive growers. Thanks to these growers, we are now the 3rd largest producer of olive oil in the USA.

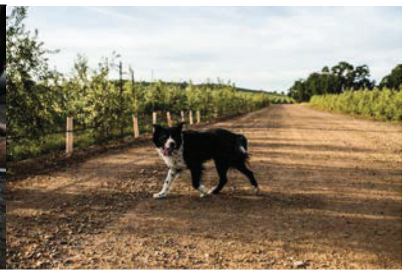
Cobram USA branded sales

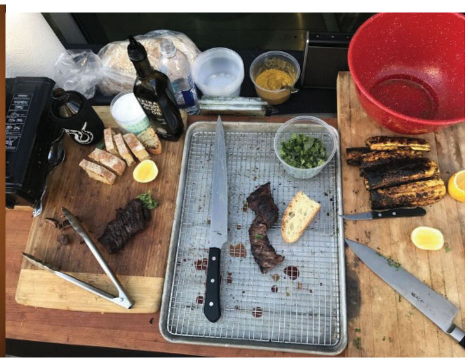
We have completed our first full fiscal year of having Cobram Estate on shelf and are slowing building, and have listings in, approximately 3000 retail locations. While sales revenue for FY 2017 is comparatively small versus our Australian business, retailers' acceptance of Cobram Estate has been encouraging.

We have integrated our Australian and US sales and marketing teams allowing for information and best practice sharing which expands on successes realised previously in our finance, technical and operations departments.

Cobram Estate's authentic brand story and many years of sustaining premium quality in Australia drives high interest from retail buyers. They are very open to accept both our Australian products, seen as "New World Oil", as well as our home grown Californian oils. The Australian and Californian products are performing equally well with high uptake on the Australian products on the East coast. The brand launch has been supported by a social-media and events driven lifestyle marketing campaign that remains highly differentiated and continues to be embraced by our retail customers, because it is seen as a way to capture the largest group of consumers moving through, the millennials demographic.







Our ambition is to increase unit sales in each store (turns) with a concentrated call out to consumers before they enter the store through (digital & social campaigns, local influencers & blogger messages, and in store activation through off location displays, in store demonstrations, necktags and promotions).

EXECUTIVE CHAIRMAN'S REPORT

Bulk Sales Business

In FY17 the US team formally launched a bulk sales business, emulating the original sales strategy of our Australian business. This includes selling Californian produced olive oil, Australian produced oil as well as oil sourced from third party growers in both Europe and South America. The bulk business accounted for approximately 90% of our USA revenue in its first full year of operation. Current projections have the bulk business continuing to grow, however in the medium term we expect this portion of the business to represent 50% - 60% of our total revenues, as the brand gains traction within the US. Incremental revenue growth in the bulk business will be supported by existing staffing and infrastructure requiring minimal additional investment to support the additional volumes.

Market demand for robust quality assurance systems and higher quality oil has exceeded initial expectations and will provide the global business with an alternative outlet for bulk oil at higher returns. The laboratory at our Woodland site, with assistance from technical staff in Australia has proven integral in the growth of this business unit.

Bottling

In support of the finished goods sales growth, bottling activity has commenced at the Woodland facility with the first bottling run completed in early 2017. In house bottling has allowed for cost savings through the elimination of third party bottlers and improved inventory management from smaller minimum bottling run requirements.

Fruit Supply

Demand for Californian produced extra virgin olive oil continues to exceed supply, supporting a competitive environment for third party grower fruit. Boundary Bend has succeeded in procuring growers and encouraging existing growers to develop new groves. Additionally, suitable properties for future olive plantings have been identified by our team and negotiations are ongoing. To accommodate increased volume from the 2018 harvest a mill expansion is currently underway at Woodland.

Innovation and Value-Adding – utilising our olive by-products

Over the past 12 months we have made significant progress on our by-product projects. We have built a strong research and development team with experience in by-product utilisation, extraction science, and TGA / FDA regulatory requirements. The team has been busy working on our portfolio of eight innovation/value-adding projects, and we have successfully progressed from laboratory trials to pilot and commercial trials on a number of our key projects. Whilst a significant amount of our development work is happening 'in-house' to build proprietary IP, we also continue to work with CSIRO and other leading research agencies and universities on selected projects.

We recognise that these new areas of business require staff with specialist skills that we do not currently possess, and are establishing a new trading entity supported by specialist teams to ensure these activities do not distract from our core business. We recently appointed a senior US sales and marketing executive to lead our new products sales strategy in North America, and have engaged the services of a leading US-based patent attorney to advise and support us with protecting intellectual property relating to our innovations.

It is anticipated that BBL's first new ingredient products will be released for sale in late 2017 or early 2018, supported by a strong new product pipeline spanning the next 2-3 years. Our projects remain commercially sensitive and we will keep shareholders updated on progress in this area as appropriate.

Land Purchase near Mildura for Future Development

As previously advised, Boundary Bend has signed a contract to purchase approximately 5,500 hectares of which approximately 3,000 hectares are suitable for planting olive trees. The property should settle in coming months, once formal notification of all conditions being met is provided by the vendor.

Over the last 18 months, Boundary Bend has been working with consultants, advisors, government agencies and the vendors, to obtain necessary approvals to proceed with the property development.

General Manager Horticulture

During the year, we sadly farewelled Ryan Norton who worked for Boundary Bend for the last 17 years. He started in a junior role at Boundary Bend Estate and worked his way to General Manager of Horticulture running all the Australian grove operations. Ryan has joined his family business in a similar role managing over 3000 hectares of Almonds, Winegrapes and Pistachio's. On behalf of all shareholders and staff we wish Ryan all the very best and sincerely thank him for his amazing contribution to Boundary Bend.

We are excited to welcome Ruth Sutherland who joined Boundary Bend in April 2017 as the new general manager of Horticulture. Ruth has been a horticulturist and vineyard manager for more than 20 years, most recently with McWilliam's Wines. Prior to McWilliams, Ruth managed olive groves and vineyards for Robert Oatley Vineyards for 10 years, where she also oversaw the installation of an on-site olive oil mill, and was also the oil maker. Ruth has experience as an olive oil judge at national shows in Australia, and internationally.

Ruth has a Bachelor of Agricultural Science from Lincoln University, New Zealand and an Advanced Diploma in Viticultural Science from the University of Sydney.

Ruth lives at our Boort grove and has already made a very positive contribution to Boundary Bend.

Capital Raising

The capital raising process is progressing promisingly but we are unable to provide details at this stage due to confidentiality restraints. Be assured we will let you know any news when we can.

AGM

Please be advised that the Annual General Meeting of shareholders will be held at 151 Broderick Road, Lara on Friday the 27th of October 2017, with 10.30am coffee for an 11.00am start. A formal notice of meeting will be sent to shareholders.

I would also like to sincerely thank our staff, shareholders and our loyal customers 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

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 2017 and auditors report thereon.

Directors names

The names of the Directors of Boundary Bend Limited (BBL) 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

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 $12.8 million (2016: $0.8 million loss). 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

There are no significant changes in the state of affairs of the consolidated entity, please refer to the Executive Chairman's Report.

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 Australian entities are 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 US entities are subject to regulations stipulated by the US Environmental Protection Agency and the Department of Toxic Substances Control for discharge of waste of chemicals.

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

Dividends paid, recommended and declared

On 28 October 2016, 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 2016. The dividend which was unfranked, was paid to shareholders on 10 February 2017 (record date 27 January 2017). The dividend paid recorded in the Financial Statements at 30 June 2017 is $5,714,212.

Information on directors

Robert McGavin	Age 48
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 45
Experience	Paul Riordan has extensive experience in the olive industry having worked in the industry since 1996 and is a co founder of the BBL Group. He currently oversees the operations of the olive groves and the manufacturing of the olive harvesting equipment. Paul is a Non-Executive Director of Select Harvests Limited since 2012.
Special responsibilities	Paul is the Executive Director of Boundary Bend Ltd.
Leandro Ravetti	Age 44
Experience	Leandro joined the BBL group from Argentina where he had been working with many of the largest olive grove 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 BBL Group and a great resource for the Australian Olive industry.
Special responsibilities	Leandro is the Technical Director of Boundary Bend Ltd.

Information on directors (continued)

Tim Jonas	Age 71
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 the BBL Group 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 61
Experience	Craig 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 the BBL Group 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.
Professor Jonathan West	Age 60
Experience	Jonathan 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 43
Experience	Tim joined the Company early in 2004 to head up the consolidated entity's sales and marketing activities, in early 2016 Tim transitioned to lead an innovation and new product development area. Tim's qualifications include a Bachelor of Agricultural Economics from the University New England, Armidale. Prior to joining the BBL Group, 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.
Special responsibilities	Tim is the Innovation and Value Add Director of Boundary Bend Ltd.

Information on directors (continued)

Matthew Bailey	Age 42
Experience	Matthew joined the BBL Group in 2014. He 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 Queensland. 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 41
Experience	Sam joined the Company in 2009. Sam has over 16 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. 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 Ltd.

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	8	8	-	-	-	-
Paul Riordan	8	7	-	-	-	-
Leandro Ravetti	8	8	-	-	-	-
Tim Jonas	8	8	3	3	2	2
Craig Ball	8	8	3	3	2	2
Jonathan West	8	8	-	-	2	2
Timothy Smith	8	8	-	-	-	-
Matthew Bailey	8	7	-	-	-	-
Samuel Beaton	8	8	-	-	-	-

Options

675,000 options over unissued ordinary shares in the consolidated entity were granted during the financial year ended 30 June 2017 (2016: 1,024,000).

During the year 2,227,083 options were exercised. Since year end no options have been granted. The consolidated entity has 5,299,000 options on issue as at 30 June 2017.

Remuneration report (Audited)

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 2017.

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 (Innovation and value-add Director)
Mr S.J. Beaton (Chief Operating Officer, Chief Financial Officer and Company Secretary)

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.R. 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.

Remuneration report (Continued)

Executive Directors and Key Management Personnel (continued)

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.

Annual 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 at the general meeting, to be divided among the Directors and unless otherwise agreed, 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.

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 2017 $'000	30 June 2016 $'000	30 June 2015 $'000	30 June 2014 $'000	30 June 2013 $'000
Revenue	139,549	114,686	112,912	83,801	85,200
Net (loss) / profit before tax	20,968	(385)	21,125	(1,785)	68,789
Net (loss) / profit after tax	12,834	(819)	14,434	491	53,443
Net Assets	154,224	141,210	148,411	134,394	129,226

	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2013
Shares on issue (at end of year)	57,142,125	54,915,042	54,665,042	51,708,113	48,884,320
Net assets per Share ($)	2.70	2.57	2.71	2.60	2.64
Dividends per Share	10 cents (Unfranked)	10 cents (Unfranked)	10 cents (Partially Franked)	10 cents (Fully Franked)	-

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

Remuneration report (Continued)

Remuneration of Directors and senior management

	Short term employee benefits			Post employment benefits	Share-based Payments	
2017	**Salary & fees $**	**Bonus $**	**Non monetary $**	**Super-annuation $**	**Options & rights $**	**Total $**
Mr T. A. Jonas	55,000	-	-	-	-	55,000
Mr C.P. Ball	50,000	-	-	-	-	50,000
Prof. J. West	-	-	-	-	*** 81,750	81,750
Mr R.D. McGavin	309,935	-	-	19,616	-	329,551
Mr P.C. Riordan	144,312	-	-	13,710	-	158,022
Mr L.M. Ravetti	395,673	50,000	-	19,616	58,498	523,787
Mr T.F. Smith	314,250	-	-	19,616	27,097	360,963
Mr M.R. Bailey	55,000	-	-	-	-	55,000
Mr S. J. Beaton	385,576	-	-	19,616	** 46,985	452,177
	1,709,746	**50,000**	**-**	**92,174**	**214,330**	**2,066,250**

	Short term employee benefits			Post employment benefits	Share based Payments	
2016	**Salary & fees $**	**Bonus $**	**Non monetary $**	**Super-annuation $**	**Options & rights $**	**Total $**
Mr T. A. Jonas	55,000	-	-	-	-	55,000
Mr C.P. Ball	55,000	-	-	-	-	55,000
Prof. J. West	-	-	-	-	58,320	58,320
Mr R.D. McGavin	309,935	* 150,000	-	19,308	-	479,243
Mr P.C. Riordan	144,312	-	-	13,710	-	158,022
Mr L.M. Ravetti	383,462	* 30,000	-	19,308	58,658	491,428
Mr T.F. Smith	288,008	* 20,000	-	19,308	31,164	358,480
Mr M.R. Bailey	-		-	-	58,320	58,320
Mr S. J. Beaton	348,462	* 30,000	-	19,308	** 60,080	457,850
	1,584,179	**230,000**	**-**	**90,942**	**266,542**	**2,171,663**

* Bonus' were paid in recognition of the performance of the consolidated entity for the year ending 30 June 2015, which the board did not resolve to pay until after 30 June 2015. As such, these bonuses are recognised in the year ending 30 June 2016.

** 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 (30 June 2012), 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.

*** Includes $26,750 for consulting services provided during the period.

DIRECTORS' REPORT

Remuneration report (Continued)

Remuneration of Directors and senior management (Continued)

No Director or senior management person appointed during the period received a payment as part of his or he 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.
2017					
Mr T. A. Jonas	758,204	-	250,000	(100,000)	908,204
Mr C.P. Ball	501,837	-	250,000	(142,181)	609,656
Prof. J. West	600,000	-	-	-	600,000
Mr R.D. McGavin	10,757,396	-	1,250,000	-	12,007,396
Mr P.C. Riordan	3,109,118	-	-	-	3,109,118
Mr L.M. Ravetti	404,764	-	-	(200,000)	204,764
Mr T.F. Smith	195,969	-	125,000	(50,000)	270,969
Mr M.R. Bailey	-	-	52,083	-	52,083
Mr S. J. Beaton	419,374	-	-	-	419,374
2016					
Mr T. A. Jonas	758,204	-	-	-	758,204
Mr C.P. Ball	501,837	-	-	-	501,837
Prof. J. West	350,000	-	250,000	-	600,000
Mr R.D. McGavin	10,757,396	-	-	-	10,757,396
Mr P.C. Riordan	3,109,118	-	-	-	3,109,118
Mr L.M. Ravetti	404,764	-	-	-	404,764
Mr T.F. Smith	195,969	-	-	-	195,969
Mr M.R. Bailey	-	-	-	-	-
Mr S. J. Beaton	419,374	-	-	-	419,374

Loans to Directors and executives

Information on loans to Directors and executives are set out in Note 27 of this report.

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 675,000 options (2016: 1,024,000) to directors and senior management of the consolidated entity, as part of their remuneration.

2,227,083 options were exercised in the financial year ended 30 June 2017 (2016: 250,000).

Remuneration report (Continued)

Employee share option plan

Grant date	Vesting Date	Expiry date	Exercise 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	Exercisable at end of the year
2017										
15-Feb-12*	16-Feb-12	15-Feb-17	$1.50	$1.50	150,000	-	(150,000)	-	-	-
1-Nov-12	2-Nov-12	1-Nov-16	$1.50	$1.30	250,000	-	(250,000)	-	-	-
15-Nov-12	16-Nov-12	1-Nov-16	$1.55	$1.30	1,250,000	-	(1,250,000)	-	-	-
15-Feb-13*	16-Feb-13	1-Nov-16	$1.50	$1.50	150,000	-	(150,000)	-	-	-
15-Feb-13	1-Oct-16	1-Nov-16	$1.50	$1.50	125,000	-	(125,000)	-	-	-
10-Dec-13	11-Dec-13	1-Dec-16	$2.50	$2.40	250,000	-	(250,000)	-	-	-
15-Mar-14	16-Mar-14	1-Dec-16	$2.50	$2.40	52,083	-	(52,083)	-	-	-
01-May-14**	****	1-May-20	$2.50	$2.40	300,000	-	-	-	300,000	180,000
10-Nov-14	10-Nov-21	10-Nov-24	$4.00	$3.30	3,600,000	-	-	(500,000)	3,100,000	-
9-Dec-14	10-Dec-14	9-Dec-17	$3.80	$3.30	300,000	-	-	-	300,000	300,000
01-Feb-15***	****	31-Mar-20	$3.80	$3.25	500,000	-	-	(100,000)	400,000	225,000
23-Oct-15	24-Oct-15	24-Oct-18	$3.80	$3.25	324,000	-	-	-	324,000	324,000
31-Jan-16	31-Jan-21	31-Mar-21	$3.80	$3.25	200,000	-	-	-	200,000	-
11-Jul-16	11-Jul-23	11-Jul-23	$4.25	$3.70	-	200,000	-	-	200,000	-
15-Dec-16	16-Dec-16	15-Dec-19	$7.50	$7.00	-	75,000	-	-	75,000	75,000
27-Apr-17	1-Jul-22	1-Aug-22	$9.00	$8.00	-	50,000	-	-	50,000	-
27-Apr-17	1-Jul-24	1-Aug-24	$9.00	$8.00	-	100,000	-	-	100,000	-
1-May-17	****	1-Aug-24	$9.00	$8.00	-	250,000	-	-	250,000	-
					7,451,083	675,000	(2,227,083)	(600,000)	5,299,000	1,104,000
Weighted average exercise price:					3.21	7.43	1.66	3.97	4.31	3.84
2016										
15-Feb-12*	16-Feb-12	15-Feb-17	$1.50	$1.50	150,000	-	-	-	150,000	150,000
01-Nov-12	02-Nov-12	01-Nov-16	$1.50	$1.30	375,000	-	(125,000)	-	250,000	250,000
15-Nov-12	16-Nov-12	01-Nov-16	$1.55	$1.30	1,250,000	-	-	-	1,250,000	1,250,000
15-Feb-13*	16-Feb-13	01-Nov-16	$1.50	$1.50	150,000	-	-	-	150,000	150,000
15-Feb-13	01-Oct-16	01-Nov-16	$1.50	$1.50	125,000	-	-	-	125,000	-
10-Dec-13	11-Dec-13	01-Dec-16	$2.50	$2.40	375,000	-	(125,000)	-	250,000	250,000
15-Mar-14	16-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	120,000
10-Nov-14	10-Nov-21	10-Nov-24	$4.00	$3.30	3,600,000	-	-	-	3,600,000	-
09-Dec-14	10-Dec-14	09-Dec-17	$3.80	$3.30	300,000	-	-	-	300,000	300,000
01-Feb-15***	****	31-Mar-20	$3.80	$3.30	-	500,000	-	-	500,000	58,000
23-Oct-15	24-Oct-15	24-Oct-18	$3.80	$3.30	-	324,000	-	-	324,000	324,000
31-Jan-16	31-Jan-21	31-Mar-21	$3.80	$3.30	-	200,000	-	-	200,000	-
					6,677,083	1,024,000	(250,000)	-	7,451,083	2,904,083
Weighted average exercise price:					$3.07	$3.80	$2.00	$0.00	$3.21	$2.20

* 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.

*** The agreement relating to these options was not formally signed until 23 October 2015. However, the price and terms of the options were agreed between parties on 1 February 2015.

**** The option vests over the life of the option and have several vesting dates.

This is the end of the remuneration report.

Indemnification of officers

During or since the end of the financial year, the consolidated entity has given indemnity or entered into an agreement to indemnify, or paid insurance premiums for directors and officers liability cover.

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the insurance contract.

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 27.

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 21 September 2017

Deloitte.

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

21 September 2017

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 2017, 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

Rachel Smith
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 Restated $'000
Revenue			
Sales revenue	5	98,627	100,341
Other revenue	5	2,309	2,109
Net change in fair value of agricultural produce	5	38,613	12,236
		139,549	114,686
Expenses			
Cost of sales	6	(89,950)	(89,544)
Administration expenses		(10,450)	(8,136)
Distribution expenses		(3,508)	(4,103)
Marketing expenses		(8,799)	(7,294)
Occupancy expenses		(1,675)	(1,247)
Finance costs	6	(3,449)	(3,419)
Other expenses		(750)	(1,328)
		(118,581)	(115,071)
Profit/(loss) before income tax		20,968	(385)
Income tax expense	7	(8,134)	(434)
Profit/(loss) from continuing operations		12,834	(819)
Profit/(loss) for the year		**12,834**	**(819)**
Profit/(loss) is attributable to:			
Owners of Boundary Bend Limited and controlled entities		12,834	(819)
		12,834	(819)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	2017 $'000	2016 Restated $'000
Profit/(loss) for the year	12,834	(819)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	59	(576)
Changes in fair value of cash flow hedges	2,559	(2,407)
Changes in deferred tax recognised in Equity	(768)	1,141
Other comprehensive income/(loss) for the year	1,850	(1,842)
Total comprehensive income/(loss) for the year	**14,684**	**(2,661)**
Total comprehensive income/(loss) for the year is attributable to:		
Owners of Boundary Bend Limited and controlled entities	14,684	(2,661)
	14,684	(2,661)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 Restated $'000
Current assets			
Cash and cash equivalents	8	2,125	2,844
Trade and other receivables	9	13,739	14,631
Inventory	10	76,556	61,074
Biological assets	13	3,440	483
Other assets	12	2,110	2,047
Total current assets		97,970	81,079
Non-current assets			
Trade and other receivables	9	98	111
Other financial assets	11	34	126
Intangible assets	14	6,678	6,678
Property, plant and equipment	15	192,464	182,654
Total non-current assets		199,274	189,569
Total assets		297,244	270,648
Current liabilities			
Trade and other payables	16	15,779	14,622
Borrowings	17	3,103	2,771
Provisions	18	1,249	916
Current tax liabilities	7	3	3
Other financial liabilities	19	383	392
Other liabilities	20	1,457	1,766
Total current liabilities		21,974	20,470
Non-current liabilities			
Borrowings	17	91,465	84,787
Provisions	18	44	41
Deferred tax liabilities	7	27,561	18,662
Other financial liabilities	19	861	3,411
Other liabilities	20	1,112	2,067
Total non-current liabilities		121,043	108,968
Total liabilities		143,017	129,438
Net assets		**154,227**	**141,210**
Equity			
Share capital	21	82,332	77,951
Reserves	22	(1,351)	(2,867)
Retained earnings	23	73,246	66,126
Total equity		**154,227**	**141,210**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	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 2015	77,331	(1,163)	1,202	(1,396)	72,437	148,411
Profit for the year (adjusted refer note 3(b))	-	-	-		(819)	(819)
Other comprehensive loss for the year	-		-	(1,266)	-	(1,266)
Exchange differences arising on translation of foreign operations	-	(576)	-	-	-	(576)
Total comprehensive income/(loss) for the period	**-**	**(576)**	**-**	**(1,266)**	**(819)**	**(2,661)**
Transactions with owners in their capacity as owners:						-
Proceeds from share issue	500					500
Dividends provided for or paid	-	-	-	-	(5,492)	(5,492)
Options exercised	120	-	(120)	-	-	-
Share based payments expense	-	-	452	-	-	452
Total transactions with owners in their capacity as owners	620	-	332	-	(5,492)	(4,540)
Balance at 30 June 2016 (Restated)	**77,951**	**(1,739)**	**1,534**	**(2,662)**	**66,126**	**141,210**
Profit for the year	-	-	-	-	12,834	12,834
Other comprehensive income for the year	-	-	-	1,791	-	1,791
Exchange differences arising on translation of foreign operations	-	59	-	-	-	59
Total comprehensive income for the year	**-**	**59**	**-**	**1,791**	**12,834**	**14,684**
Transactions with owners in their capacity as owners:						
Proceeds from share issue / options exercised	3,705	-	-	-	-	3,705
Dividends provided for or paid	-	-	-	-	(5,714)	(5,714)
Options exercised (transfer from reserve)	676	-	(676)	-	-	-
Share based payments expense	-	-	342	-	-	342
Total transactions with owners in their capacity as owners	4,381	-	(334)	-	(5,714)	(1,667)
Balance at 30 June 2017	**82,332**	**(1,680)**	**1,200**	**(871)**	**73,246**	**154,227**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 Restated $'000
Cash flows from operating activities			
Receipts from customers		100,526	102,810
Payments to suppliers and employees		(81,015)	(82,518)
Interest received		8	17
Borrowing costs		(3,695)	(3,836)
Income tax payments		(3)	(3)
Net cash provided by operating activities	25 (b)	15,821	16,470
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		317	190
Proceeds from sale of investments		111	-
Payments for property, plant and equipment		(20,153)	(20,302)
Payments for investments		(25)	-
Payments for intangibles		-	(206)
Net cash used in investing activities		(19,750)	(20,318)
Cash flows from financing activities			
Proceeds from share issue		3,705	500
Payment for water lease termination		-	(1,000)
Net proceeds of borrowings		5,219	10,902
Dividends paid to shareholders		(5,714)	(5,492)
Net cash provided by financing activities		3,210	4,910
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		2,844	1,782
Net increase / (decrease) in cash and cash equivalents		(719)	1,062
Cash and cash equivalents at the end of the period	25 (a)	2,125	2,844

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with 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 21 September 2017.

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 group has adopted all new and revised Standards and Interpretations that are effective for the reporting period. Refer note 3(b) for the application and impact of these standards.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation (continued)

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.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment

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

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 firstly treated as a revaluation decrease.

(f) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures. Refer note 3(c) for prior year restatement adjustments.

(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 profit or loss. 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

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. Revenue is measured at gross price less any rebates or trade spend.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the

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).

(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

Freehold land and buildings are measured at fair value. At each balance date the carrying value of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

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. 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (continued)

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	Depreciation
Buildings	*2.5% - 3.25%*	Straight-line
Irrigation assets	*2.5% - 6.25%*	Straight-line
Plant & equipment	*4.5% - 22.5 %*	Diminishing value
Leased plant and equipment	*10% - 22.5 %*	Diminishing value
Bearer plants	*5% - 10%*	Straight-line
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.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign currency translations and balances (continued)

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 (Argentinian Peso's) 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 29(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 31.

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 amortisation.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

(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.

(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. If 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 held in the nursery. 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. Where there is fruit that has not yet been harvested at reporting date, this fruit is treated as biological produce and reported in the balance sheet under biological assets.

(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.

No impairment loss has been recognised in current year (2016: $nil).

(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.

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

(a) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the following applicable Standards and Interpretations listed below were in issue but not yet adopted by the group.

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 16 ‘Leases’	1 January 2019	30 June 2020
AASB 2015-10 'Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2018	30 June 2018
AASB 2016-1 ‘Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses’	1 January 2017	30 June 2018
AASB 2014-10 ‘Amendments to Australian Accounting Standards – Sale or Contribution of Assests between an Investor and its Associate or Joint Venture' [AASB 10 & AASB 128], 2016-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107’	1 January 2017	30 June 2018

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

(a) Standards and Interpretations in issue not yet adopted (Continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2016-5 'Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions	1 January 2018	30 June 2019
AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments	1 January 2018	30 June 2019
AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle	1 January 2017	30 June 2018
Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018	30 June 2019

The directors anticipate that the adoption of AASB 15 and AASB 16 in the future may have a 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 16 until the Group performs a detailed analysis.

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.

(b) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

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, notably:

- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants

The group has applied these amendments for the first time in the current year. The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with AASB 116 Property, Plant & Equipment instead of AASB 141 Agriculture. The produce growing on bearer plants continues to be accounted for in accordance with AASB 141. Prior year financial statements have been restated. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the change have not been included.

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

(b) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

Consolidated statement of profit or loss (extract)

	2016 (Previously stated) $'000	Increase / (Decrease) $'000	2016 (Restated) $'000
Net increase in fair value of agricultural produce	13,826	(1,590)	12,236
Depreciation	(51)	(139)	(190)
Profit / (Loss) before income tax	1,344	(1,729)	(385)
Income tax expense	(953)	519	(434)
Loss attributable to members of Boundary Bend Limited	391	(1,210)	(819)

Consolidated statement of financial position (extract)

	2016 (Previously stated) $'000	Increase / (Decrease) $'000	2016 (Restated) $'000
Biological assets (Non-Current)	78,890	(78,890)	-
Property, Plant & Equipment	105,493	77,161	182,654
Total Assets	272,377	(1,729)	270,648
Deferred tax liabilities	19,182	(519)	18,663
Total Liabilities	129,957	(519)	129,438
Net assets	142,420	(1,210)	141,210
Retained Earnings	67,336	(1,210)	66,126
Total equity	142,420	(1,210)	141,210

Consolidated Statement of changes in equity (extract)

	30 Jun 2016 (Previously stated) $'000	Increase / (Decrease) $'000	30 Jun 2016 (Restated) $'000
Contributed equity	77,951	-	77,951
Reserves	(2,867)	-	(2,867)
Retained earnings	67,336	(1,210)	66,126
Total	142,420	(1,210)	141,210

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

(b) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

Consolidated statement of cash flows (extract)

	2016 (Previously stated) $'000	Increase / (Decrease) $'000	2016 (Restated) $'000
Payments to suppliers and employees	(105,952)	4,068	(101,884)
Net cash generated by operating activities	12,402	4,068	16,470
Payments for land, property, plant and equipment	(14,197)	(6,105)	(20,302)
Payments for biological assets	(2,037)	2,037	-
Net cash used in investing activities	(16,250)	(4,068)	(20,318)
Net increase / (decrease) in cash and cash equivalents	1,062	-	1,062

Note:13 Biological Asset (extract)

	2016 (Previously stated) $'000	Increase / (Decrease) $'000	2016 (Restated) $'000
NON CURRENT			
At fair value			
Olives groves	78,890	(78,890)	-
Reconciliation			
Opening balance	76,012	(76,012)	-
Net increase due to development	2,878	(2,878)	-
	78,890	(78,890)	-

Note 15: Property, Plant & Equipment (extract)

	2016 (Previously stated) $'000	Increase / (Decrease) $'000	2016 (Restated) $'000
Land & buildings			
Land & buildings at fair value	72,175	(22,260)	49,915
Less accumulated depreciation	-	(1,140)	(1,140)
	72,175	(23,400)	48,775
Irrigation asset			
Irrigation assets at cost	-	23,077	23,077
Less accumulated depreciation	-	(697)	(697)
	-	22,380	22,380
Bearer Plants			
Bearer plants at cost	-	82,957	82,957
Less accumulated depreciation	-	(4,776)	(4,776)
	-	78,181	78,181
Total property, plant and equipment	105,493	77,161	182,654

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

(b) Amendments to Accounting Standards that are mandatorily effective for the current reporting period (continued)

Note 15: Property, Plant & Equipment (extract) (continuted)

	2016 (Previously stated) $'000	Increase / (Decrease) $'000	2016 (Restated) $'000
(a) Reconciliations (extract)			
Land & buildings			
Opening carrying amount	62,487	(17,967)	44,520
Additions	9,744	(6,463)	3,281
Depreciation expense	(51)	(323)	(374)
Net foreign currency movements	(5)	-	(5)
Reflassiciation/transfers between groups		1,353	1,353
Closing carrying amount	72,175	(23,400)	48,775
Plant & equipment			
Opening carrying amount	30,549	-	30,549
Additions	6,099	1,353	7,452
Disposals	(164)	-	(164)
Depreciation expense	(4,480)	-	(4,480)
Net foreign currency movements	16	-	16
Reflassiciation/transfers between groups	-	(1,353)	(1,353)
Closing carrying amount	32,020	-	32,020
Irrigation assets			
Opening carrying amount	-	17,967	17,967
Additions	-	5,110	5,110
Depreciation expense	-	(697)	(697)
Closing carrying amount	-	22,380	22,380
Bearer plants			
Opening carrying amount	-	76,021	76,021
Additions	-	6,936	6,936
Depreciation expense	-	(4,776)	(4,776)
Closing carrying amount	-	78,181	78,181
Total property, plant and equipment			
Carrying amount at 1 July	93,748	76,021	169,769
Additions	16,730	6,936	23,666
Disposals	(264)	-	(264)
Depreciation expense	(4,725)	(5,796)	(10,521)
Net foreign currency movements	4	-	4
Carrying amount at 30 June	105,493	77,161	182,654

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

(c) Comparative adjustments relating to errors or misstatements

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period.

During the financial year it was determined that a restatement was required in the 30 June 2016 financial statements of the consolidated entity. In the prior year, the consolidated entity recognised customer allowances in the Consolidated Statement of Profit or Loss as an adjustment to cost of sales rather than as a reduction in revenue. In the current year this classification has been restated to disclose revenue from customers as net revenue. There is no impact to the Consolidated Statement of Financial Position or Consolidated Statement of Changes in Equity. The impact on the comparative period disclosures of this restatement are as follows:

Condensed consolidated statement of profit or loss (extract)

	2016 (Previously stated) $'000	Increase / (Decrease) $'000	2016 (Restated) $'000
Revenue	119,707	(19,366)	100,341
Total Revenue	134,052	(19,366)	114,686
Cost of Sales	(108,910)	19,366	(89,544)
Total Expenses	(134,437)	19,366	(115,071)
Profit / (Loss) before income tax	(385)	-	(385)
Income tax expense	(434)	-	(434)
Loss attributable to members of Boundary Bend Limited	(819)	-	(819)

Statement of cash flows (extract)

	2016 (Previously stated) $'000	Increase / (Decrease) $'000	2016 (Restated) $'000
Receipts from customers	122,176	(19,366)	102,810
Payments to suppliers and employees	(101,884)	19,366	(82,518)
Net cash provided by operating activities	16,470	-	16,470
Net increase / (decrease) in cash and cash equivalents	1,062	-	1,062

Note: The previously stated amounts have been updated to included changes in reporting of Bearer Plants.

NOTE 4: SEGMENT REPORTING

Segment products and locations
The segment reporting reflects the way information is reported internally to the Chief Operating Officer (COO) for the purpose of resource allocation and assessment of segment performance focuses on the geographic location.

The consolidated entity has the following business segments:
• Australia - production and marketing of olive oil
• Australia - innovation and value-add products
• United States of America (USA) - production and marketing of olive oil

The segment information provided to the COO is referenced in the following table:

	Australian Operations				US Operations		Eliminations & Corporate		Total operations	
	Olive oil		Innovation & Value-add							
	30/06/2017 $'000	30/06/2016 $'000	30/06/2017 $'000	30/06/2016 $'000	30/06/2017 $'000	30/06/2016 $'000	30/06/2017 $'000	30/06/2016 $'000	30/06/2017 $'000	30/06/2016 $'000
Revenue										
Total revenue from external customers	89,843	97,497	2	-	8,782	2,844			98,627	100,341
Intersegment revenue	1,475	374	-	-	290		(1,765)	(374)	-	-
Total segment revenue	**91,318**	**97,871**	**2**	**-**	**9,072**	**2,844**	**(1,765)**	**(374)**	**98,627**	**100,341**
Other revenue	1,531	1,708	-	75	778	326			2,309	2,109
Net change in fair value of agricultural produce	38,613	12,236	-	-					38,613	12,236
Total revenue	**131,462**	**111,815**	**2**	**75**	**9,850**	**3,170**	**(1,765)**	**(374)**	**139,549**	**114,686**
EBITDA	**44,249**	**19,097**	**(2,540)**	**(697)**	**(6,759)**	**(4,725)**	**241**	**(116)**	**35,191**	**13,559**
Depreciation/amortisation of segment assets	(10,152)	(10,071)	(8)	(3)	(614)	(451)	-	-	(10,774)	(10,525)
EBIT	**34,097**	**9,026**	**(2,548)**	**(700)**	**(7,373)**	**(5,176)**	**241**	**(116)**	**24,417**	**3,034**
Finance costs	-	-	-	-	-	-	(3,449)	(3,419)	(3,449)	(3,419)
Profit before income tax	**34,097**	**9,026**	**(2,548)**	**(700)**	**(7,373)**	**(5,176)**	**(3,208)**	**(3,535)**	**20,968**	**(385)**
Segment assets (excl intercompany)	275,061	252,672	1,165	43	21,030	18,050	(12)	(116)	297,243	270,648
Segment liabilities (excl intercompany)	18,606	18,320	649	269	3,494	3,597	120,269	107,252	143,017	129,438
Capital expenditure	18,191	15,634	1,130	46	2,955	7,987	-	-	22,276	23,667

NOTE 4: SEGMENT REPORTING (CONTINUED)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. Segment profit represents the profit before tax earned by each segment without allocation investment income and finance costs.

All assets are allocated to reportable segments other than other financial assets and current and deferred tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individiual reportable segments; and all liabilities are allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Included in revenue from external customers arising from Australian operations of $89.845 million (2016: 97.497 million) are revenues from major customers of approximately:

	2017 $'000	2016 $'000
- Customer A	32,099	28,850
- Customer B	21,611	24,755

No other single customer contributed 10% or more to the consolidated entity's revenue for 2017 and 2016.

	2017 $'000	2016 Restated $'000
NOTE 5: REVENUE		
Sale of goods	98,627	100,341
Other revenue:		
Management/service fees	371	649
Rental income	500	475
Interest income	8	17
Other income	1,394	775
Unrealised foreign currency gains	-	83
Subsidies and grants	36	111
	2,309	2,109
Fair value adjustments:		
Net increase in fair value of agricultural produce	38,613	12,236
	139,549	114,686
NOTE 6: OPERATING PROFIT		
Profit/(loss) before income tax has been determined after:		
Cost of sales	89,950	89,544
Finance costs:		
Interest expense	1,966	2,119
Borrowing costs	1,232	1,010
Hire purchase charges	259	287
Finance lease charges	(8)	3
	3,449	3,419
Depreciation:		
Buildings	457	374
Plant and equipment	4,326	4,480
Irrigation Assets	733	697
Bearer Plants	4,951	4,776
Motor vehicles	159	108
Office furniture and equipment	128	66
Furniture and fittings	19	20
	10,773	10,521
Bad debts - trade debtors	99	40
Employee benefits:		
Share based payments	367	453
Defined contribution superannuation expense	1,018	824
Other employee benefits	15,703	11,999
	17,088	13,276
Loss on sale of property plant and equipment	8	43
Loss on revaluation of financial instrument	-	767
Unrealised foreign currency losses	262	-

NOTE 6: OPERATING PROFIT (CONTINUED)

	2017 $	2016 $
Remuneration of auditors for:		
Auditor's remuneration audit and review fees	69,500	69,000

The auditor of Boundary Bend Limited is Deloitte Touche Tohmatsu.
The auditor did not receive any other benefits

NOTE 7: INCOME TAX

(a) Components of tax expense

	2017 $'000	2016 Restated $'000
Current tax	3	3
Deferred tax	8,117	642
Prior year deferred tax asset to equity	-	419
Under / (over) provision in prior years	14	(631)
	8,134	434

(b) Prima facie tax payable

The prima facie tax payable on profit / (loss) before income tax is reconciled to the income tax expense as follows:

	2017 $'000	2016 Restated $'000
Prima facie income tax expense / (benefit) before income tax at 30% (2016: 30%)	6,290	(116)
Add tax effect of:		
Other non allowable items	13	11
- Offshore tax losses not brought to account	3,786	1,628
Share based payments	77	85
Reclassification of prior year deferred tax asset to equity	-	419
- Under provision in prior years	14	-
	3,890	2,144
Less tax effect of:		
- Depreciation entitlement attached to fixed assets	(331)	(338)
- Research and development deductions	(400)	(400)
- Other deductible items	(77)	-
- Capital loss adjustment in prior years	(187)	-
- Over provision in prior years	-	(631)
- Difference in overseas tax rates	(1,051)	(225)
	(2,046)	(1,594)
Income tax expense / (credits) attributable to profit / (loss)	8,134	434

(c) Current tax

	2017 $'000	2016 Restated $'000
Current tax liabilities		
Opening balance	3	3
Income tax	3	3
Tax payments	(3)	(3)
Current tax liabilities	3	3

NOTE 7: INCOME TAX (CONTINUED)

(d) Deferred tax balances

	Opening balance $'000	Recognised in profit or loss $'000	Recognised directly in equity $'000	Closing balance $'000
2016 - Restated				
Deferred tax asset				
Employee benefits	282	3	-	285
Impairment of investments	233	-	-	233
Impairment of goodwill	2,504	-	-	2,504
Future tax depreciation entitlement on plant & equipment	1,885	(735)	-	1,150
Future tax depreciation entitlement on biological assets	-	-	-	-
Capital raising costs	30	(19)	-	11
Doubtful debts	28	(12)	-	16
Other	632	(225)	722	1,129
Tax losses brought to account	179	1,694	-	1,873
	5,773	706	722	7,201
Deferred tax liability				
The balance comprises:				
Finance leases	673	(246)	-	427
Fair value adjustment to property, plant & equipment	24,176	1,183	-	25,359
Fair value adjustment to biological assets	297	(220)	-	77
	25,146	717	-	25,863
Net deferred tax assets / (liabilities)	(19,373)	(11)	722	(18,662)
2017				
Deferred tax asset				
Employee benefits	285	63	-	348
Impairment of investments	233	(233)	-	-
Impairment of goodwill	2,504	-	-	2,504
Future tax depreciation entitlement on plant & equipment	1,150	(344)	-	806
Future tax depreciation entitlement on biological assets	-	-	-	-
Capital raising costs	11	(11)	-	-
Doubtful debts	16	4	-	20
Other	1,129	508	(768)	869
Tax losses brought to account	1,873	4,189	-	6,062
	7,201	4,176	(768)	10,609
Deferred tax liability				
The balance comprises:				
Finance leases	427	(64)	-	363
Fair value adjustment to inventory	-	11,584	-	11,584
Fair value adjustment to property, plant & equipment	25,359	864	-	26,223
Fair value adjustment to biological assets	77	(77)	-	-
	25,863	12,307	-	38,170
Net deferred tax assets / (liabilities)	(18,662)	(8,131)	(768)	(27,561)

NOTE 7: INCOME TAX (CONTINUED)

(e) Deferred tax revenue included in income tax expense

	2017 $'000	2016 Restated $'000
Decrease / (increase) in deferred tax assets	(4,176)	(705)
(Decrease) / increase in deferred tax liabilities	12,307	1,236
	8,131	(191)

(f) Deferred income tax related to items credited directly to equity

	2017 $'000	2016 Restated $'000
Decrease / (increase) in deferred tax assets	768	(722)
Reclassification of prior year deferred tax asset to equity	-	(419)
	768	(1,141)

(g) Deferred tax assets not brought to account

Deferred tax asset not brought to account relating to:

USA Operations:

	2017 $'000	2016 Restated $'000
Other deferred tax (liabilities) / assets	(753)	173
Tax losses	6,677	2,322
Net deferred tax asset not brought to account	5,924	2,495

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. It is assumed the deferred tax assets up to an amount equal to the deferred tax liabilities of the US operations will be able to be utilised if the deferred tax assets were required to be settled. As such, the deferred tax liabilities for the US operations have not been recorded.

	Note	2017 $'000	2016 Restated $'000

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	2017 $'000	2016 Restated $'000
Cash at bank		2,125	2,844

NOTE 9: RECEIVABLES

	Note	2017 $'000	2016 Restated $'000
CURRENT			
Trade debtors		12,031	13,602
Provision for doubtful debts		(66)	(53)
		11,965	13,549
Other receivables		1,774	1,082
		13,739	14,631
NON CURRENT			
Other Receivables		98	111

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 $0.4 million (2016: $1.0 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

	Note	2017 $'000	2016 Restated $'000
Opening balance at 1 July		(53)	(92)
Doubtful debts recognised on receivables		(99)	(40)
Amounts written off against the provision during the year		86	79
Closing balance at 30 June		(66)	(53)

NOTE 10: INVENTORY

	Note	2017 $'000	2016 Restated $'000
CURRENT			
Raw materials at cost		2,901	2,830
Work in progress at cost		-	101
Olive oil	1(i)	73,655	58,143
		76,556	61,074

	Note	2017 $'000	2016 Restated $'000
NOTE 11: OTHER FINANCIAL ASSETS			
NON CURRENT			
Other financial assets			
Shares in other corporations		95	958
Provision for impairment loss		(61)	(832)
		34	126
Reconciliation:			
Shares in other corporations			
Opening balance at 1 July		958	958
Share acquired		25	-
Shares written off		(888)	-
Closing balance at 30 June		95	958
Provision for impairment of shares in other corporations			
Opening balance at 1 July		(832)	(832)
Plus amounts written off against the provision*		771	-
Closing balance at 30 June		(61)	(832)

*Investment in Origin Olives was settled in 2016.

NOTE 12: OTHER ASSETS

		2017 $'000	2016 Restated $'000
CURRENT			
Prepayments		1,919	1,913
Other current assets		191	134
		2,110	2,047

NOTE 13: BIOLOGICAL ASSETS

	Note	2017 $'000	2016 Restated $'000
CURRENT			
At fair value			
Biological assets for sale - nursery trees	1(p)	702	483
Biological produce		2,738	-
		3,440	483

NOTE 14: INTANGIBLE ASSETS

		2017 $'000	2016 Restated $'000
Goodwill at cost		6,896	6,896
Less accumulated impairment loss		(6,896)	(6,896)
		-	-
Water rights at cost		326	326
Trademarks at cost		6,352	6,352
Total intangible assets		6,678	6,678

	2017	2016 Restated
	$'000	$'000
NOTE 15: PROPERTY, PLANT AND EQUIPMENT		
Land & buildings		
Land & buildings at fair value	50,693	49,915
Less accumulated depreciation	(1,594)	(1,140)
	49,099	48,775
Plant & equipment		
Plant & equipment at cost	57,637	53,064
Less accumulated depreciation	(24,386)	(21,044)
	33,251	32,020
Irrigation assets at cost	26,235	23,077
Less accumulated depreciation	(1,430)	(697)
	24,805	22,380
Bearer plants at cost	93,493	82,957
Less accumulated depreciation	(9,727)	(4,776)
	83,766	78,181
Motor vehicles at cost	1,303	1,094
Less accumulated depreciation	(379)	(337)
	924	757
Office equipment at cost	865	1,050
Less accumulated depreciation	(360)	(623)
	505	427
Furniture, fixtures & fittings at cost	229	210
Less accumulated depreciation	(115)	(96)
	114	114
Total plant and equipment	143,365	133,879
Total property, plant and equipment	192,464	182,654

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

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

	2017 $'000	2016 Restated $'000
Land & buildings		
Opening carrying amount	48,775	44,520
Additions	1,859	3,281
Depreciation expense	(457)	(374)
Net foreign currency movements	(338)	(5)
Reclassification/transfers between groups	(740)	1,353
Closing carrying amount	49,099	48,775
Plant & equipment		
Opening carrying amount	32,020	30,549
Additions	6,529	7,452
Disposals	(500)	(164)
Depreciation expense	(4,326)	(4,480)
Net foreign currency movements	(218)	16
Reclassification/transfers between groups	(254)	(1,353)
Closing carrying amount	33,251	32,020
Irrigation assets		
Opening carrying amount	22,380	17,967
Additions	2,904	5,110
Depreciation expense	(733)	(697)
Reclassification/transfers between groups	254	-
Closing carrying amount	24,805	22,380
Bearer plants		
Opening carrying amount	78,181	76,021
Additions	9,840	6,936
Depreciation expense	(4,951)	(4,776)
Net foreign currency movements	(44)	-
Reclassification/transfers between groups	740	-
Closing carrying amount	83,766	78,181
Motor vehicles		
Opening carrying amount	757	389
Additions	382	581
Disposals	(51)	(96)
Depreciation expense	(159)	(108)
Net foreign currency movements	(5)	(9)
Closing carrying amount	924	757
Office equipment		
Opening carrying amount	427	241
Additions	210	254
Disposals	(1)	(4)
Depreciation expense	(128)	(66)
Net foreign currency movements	(3)	2
Closing carrying amount	505	427

	Note	2017 $'000	2016 Restated $'000

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	2017 $'000	2016 Restated $'000
Furniture, fixtures & fittings			
Opening carrying amount		114	82
Additions		21	52
Depreciation expense		(19)	(20)
Net foreign currency movements		(2)	-
Closing carrying amount		114	114
Total property, plant and equipment			
Carrying amount at 1 July		182,654	169,769
Additions		21,745	23,666
Disposals		(552)	(264)
Depreciation expense		(10,773)	(10,521)
Net foreign currency movements		(610)	4
Carrying amount at 30 June		192,464	182,654

NOTE 16: PAYABLES

	Note	2017 $'000	2016 Restated $'000
CURRENT			
Unsecured liabilities			
Trade creditors		10,561	10,075
Other creditors and accruals		5,218	4,547
		15,779	14,622

NOTE 17: BORROWINGS

	Note	2017 $'000	2016 Restated $'000
CURRENT			
Secured Liabilities			
Finance lease liability	24(a)	278	341
Hire purchase/chattel mortgage liability	24(b)	2,825	2,430
		3,103	2,771
NON CURRENT			
Secured liabilities			
Bank loans	(a)	84,161	76,230
Finance lease liability	24(a)	70	348
Hire purchase/chattel mortgage liability	24(b)	7,234	8,209
		91,465	84,787
Total Borrowings		94,568	87,558

(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 entities Australian subsidiaries. All Australian subsidiaries guarantee the bank loans.

	2017 $'000	2016 $'000
NOTE 18: PROVISIONS		
CURRENT		
Employee benefits	1,249	916
	1,249	916
NON CURRENT		
Employee benefits	44	41
	44	41
NOTE 19: OTHER FINANCIAL LIABILITIES		
CURRENT		
Hedging instruments		
Interest rate swap	383	392
NON-CURRENT		
Hedging instruments		
Interest rate swap	861	3,411
NOTE 20: OTHER LIABILITIES		
CURRENT		
Deferred income	520	462
Other current liabilities	937	1,304
	1,457	1,766
NON-CURRENT		
Other non-current liabilities	1,112	2,067

	Note	2017 $'000	2016 Restated $'000
NOTE 21: SHARE CAPITAL			
Issued and paid up capital			
57,142,125 (2016: 54,915,042) ordinary shares	(a)	82,332	77,951

	2017		2016	
	Shares '000	$'000	Shares '000	$'000
(a) Ordinary shares				
Consolidated				
Opening balance	54,915	77,951	54,665	77,331
26 October 2015	-	-	250	568
30 June 2016	-	-	-	52
11 October 2016	125	220	-	-
17 October 2016	250	567		
26 October 2016	275	517		
31 October 2016	1,250	2,238	-	-
17 November 2016	125	347	-	-
21 November 2016	52	144	-	-
18 January 2017	150	296	-	-
30 June 2017	-	52	-	-
	2,227	4,381	250	620
At reporting date	57,142	82,332	54,915	77,951

(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 2017, directors, senior employees and consultants held options over 5,299,000 ordinary shares of the consolidated entity. At 30 June 2016, directors, senior employees and consolutants held options over 7,451,083 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 31.

	Note	2017 $'000	2016 Restated $'000
NOTE 22: RESERVES			
Foreign currency translation reserve	22(a)	(1,680)	(1,739)
Share based payments reserve	22(b)	1,200	1,534
Cash flow hedge reserve	22(c)	(871)	(2,662)
		(1,351)	(2,867)

(a) Foreign currency translation reserve

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

	2017	2016
Movements in reserve		
Opening balance	(1,739)	(1,163)
Exchange difference arising on translation of foreign operations	59	(576)
Closing balance	(1,680)	(1,739)

(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 31.

	2017	2016
Movements in reserve		
Opening balance	1,534	1,202
Options exercised, transferred to share capital	(676)	(120)
Share based payments	344	454
Net foreign currency translation adjustment	(2)	(2)
Closing balance	1,200	1,534

(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.

	2017	2016
Movements in reserve		
Opening balance	(2,662)	(1,396)
Gain / (loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges		
- Interest rate swap	2,559	(2,407)
- Deferred tax charged directly to equity	(768)	1,141
Closing balance	(871)	(2,662)

NOTE 23: RETAINED EARNINGS

	2017	2016
Retained earnings at beginning of year	66,126	72,437
Net profit / (loss)	12,834	(819)
Dividends provided for or paid	(5,714)	(5,492)
	73,246	66,126

NOTE 24: CAPITAL AND LEASING COMMITMENTS

	Note	2017 $'000	2016 Restated $'000
(a) Finance leasing commitments			
Payable			
not later than one year		290	373
later than one year and not later than five years		72	362
Minimum lease payments		362	735
Less future finance charges		(14)	(46)
Total finance lease liability		348	689
Represented by:			
Current liability	17	278	341
Non current liability	17	70	348
		348	689
(b) Hire purchase and Chattel mortgage commitments			
Payable			
not later than one year		3,260	2,927
later than one year and not later than five years		7,891	8,537
Minimum hire purchase payments		11,151	11,464
Less future finance charges		(1,092)	(825)
Total hire purchase liability		10,059	10,639
Represented by:			
Current liability	17	2,825	2,430
Non current liability	17	7,234	8,209
		10,059	10,639
(c) Operating lease commitments			
Non cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable in AUD			
not later than one year		117	117
later than one year and not later than five years		71	187
		188	304
Payable in USD			
not later than one year		21	-
later than one year and not later than five years		271	-
		292	-

General description of operating leasing arrangements:

Operating leases relate to office space, warehouse and office equipment and land with lease terms of between 2 to 35 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 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	2017 $'000	2016 Restated $'000

NOTE 25: CASH FLOW INFORMATION

(a) Reconciliation of cash

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

	Note	2017 $'000	2016 Restated $'000
Cash at bank	8	2,125	2,844

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

	2017 $'000	2016 Restated $'000
Profit/(loss) from ordinary activities after income tax	12,834	(819)
Adjustments for non cash items		
Depreciation & amortisation	10,773	10,521
Bad debt expense	13	40
Stock obsolescence	132	(2)
Loss on sale of assets	8	43
Profit on sale of investments	4	-
Net decrease / (increase) increase in fair value of olive oil options	-	767
Share based payment expense	367	453
Unrealised foreign currency losses	246	280
	11,543	12,102
Changes in assets and liabilities		
(Increase) / decrease in receivables	498	164
(Increase) / decrease in prepayments and other assets	(63)	(1,057)
(Increase) / decrease in inventories	(18,870)	5,887
Increase in payables	682	146
(Decrease) / increase in income tax payable	-	-
Increase in deferred taxes	8,899	431
Increase in provisions	339	18
Decrease in accrued expenses & other liabilities	(41)	(402)
	(8,556)	5,187
Cash flows provided by operating activities	15,821	16,470

(c) Purchase of property, plant and equipment under borrowings

Where property, plant and equipment has been purchased on a lease or hire purchase arrangement and no cash has flowed to or from the group, neither payments for property, plant and euqipment nor proceeds of borrowings have been recognised in the consolidated statement of cash flows.

NOTE 25: CASH FLOW INFORMATION (CONTINUED)

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

Facility	Limit AUD $'000	Drawn at 30 Jun 17 AUD $'000	Term
Core Debt	58,000	58,000	October 2020
Working Capital Debt	16,000	12,500	October 2020
	74,000	**70,500**	

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

Facility		Limit $'000	Drawn at 30 Jun 17 $'000	Term
Domestic Foreign Currency Account Facility	USD	10,500	10,500	October 2020
Import Documentary Letter of Credit Facility	EUR	2,500	-	Reviewed annually

The interest cost under the facilities are referenced to the London Interbank Offer Rate (LIBOR). A margin and line fee is also paid in addition to this reference rate.

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.

NOTE 26: CONTROLLED ENTITIES

	Country of incorporation	Ownership 2017 %	Ownership 2016 %
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 27: 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	
	2017	2016	2017	2016
	$	$	$	$
R. McGavin	5,003	-	-	-
P & F Riordan Family Trust	-	-	29,341	7,335
P & F Riordan Pty Ltd	3,602	4,042	27,484	38,528
United Retail Group Pty Ltd	360	-	94,307	53,054
Riordan Group Pty Ltd	-	-	396,401	155,346
McGavin Investments Pty Ltd	-	-	30,240	16,500
Poligolet Holdings Pty Ltd	20,274	13,937	-	-
Jubilee Park Vineyards Pty Ltd	8,249	11,119	-	-
	37,488	29,098	577,773	270,763

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

	Amounts owed by related parties		Amounts owed to related parties	
	2017	2016	2017	2016
	$	$	$	$
United Retail Group Pty Ltd	-	-	58,384	29,012
McGavin Investments Pty Ltd	-	-	-	5,500
Poligolet Holdings Pty Ltd	4,833	2,051	-	-
Jubilee Park Vineyards Pty Ltd	723	2,628	-	-
	5,556	4,679	58,384	34,512

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 27: RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loans to key management personnel

There were no loans to key management personnel of the consolidated group or their related entities in 2017. (2016: Nil)

(c) Transactions with key management personnel compensation

(i) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 35 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.
2017					
Mr T. A. Jonas	758,204	-	250,000	(100,000)	908,204
Mr C.P. Ball	501,837	-	250,000	(142,181)	609,656
Prof. J. West	600,000	-	-	-	600,000
Mr R.D. McGavin	10,757,396	-	1,250,000	-	12,007,396
Mr P.C. Riordan	3,109,118	-	-	-	3,109,118
Mr L.M. Ravetti	404,764	-	-	(200,000)	204,764
Mr T.F. Smith	195,969	-	125,000	(50,000)	270,969
Mr M. Bailey	-	-	52,083	-	52,083
Mr S. J. Beaton	419,374	-	-	-	419,374
2016					
Mr T. A. Jonas	758,204	-	-	-	758,204
Mr C.P. Ball	501,837	-	-	-	501,837
Prof. J. West	350,000	-	250,000	-	600,000
Mr R.D. McGavin	10,757,396	-	-	-	10,757,396
Mr P.C. Riordan	3,109,118	-	-	-	3,109,118
Mr L.M. Ravetti	404,764	-	-	-	404,764
Mr T.F. Smith	195,969	-	-	-	195,969
Mr M. Bailey	-	-	-	-	-
Mr S. J. Beaton	419,374	-	-	-	419,374

NOTE 27: RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with key management personnel compensation (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.
2017					
Mr T. A. Jonas	250,000	-	(250,000)	-	-
Mr C.P. Ball	250,000	-	(250,000)	-	-
Prof. J. West	312,000	75,000	-	-	387,000
Mr R.D. McGavin	1,250,000	-	(1,250,000)	-	-
Mr P.C. Riordan	-	-	-	-	-
Mr L.M. Ravetti	1,600,000	-	-	-	1,600,000
Mr T.F. Smith	625,000	-	(125,000)	-	500,000
Mr M. Bailey	364,083	-	(52,083)	-	312,000
Mr S. J. Beaton	1,000,000	-	-	-	1,000,000
2016					
Mr T. A. Jonas	250,000	-	-	-	250,000
Mr C.P. Ball	250,000	-	-	-	250,000
Prof. J. West	400,000	162,000	(250,000)	-	312,000
Mr R.D. McGavin	1,250,000	-	-	-	1,250,000
Mr P.C. Riordan	-	-	-	-	-
Mr L.M. Ravetti	1,600,000	-	-	-	1,600,000
Mr T.F. Smith	625,000	-	-	-	625,000
Mr M. Bailey	202,083	162,000	-	-	364,083
Mr S. J. Beaton	1,000,000	-	-	-	1,000,000

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 1,927,083 options (2016: 250,000) were exercised by key management personnel.

Further details of the employee share option plan and of share options issued during the 2017 and 2016 financial year are contained in Note 31 to the financial statements.

NOTE 28: 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 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$'000**	**$'000**	**$'000**	**$'000**
Non-financial assets				
Land and building at fair value	-	11,161	37,938	49,099
Financial liabilities				
Hedging instruments	-	1,244	-	1,244

Year ended 30 June 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$'000**	**$'000**	**$'000**	**$'000**
Non-financial assets				
Land and building at fair value	-	11,258	37,517	48,775
Financial liabilities				
Hedging instruments	-	3,803	-	3,803

(b) Transfers between levels

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

(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	11,161	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 2017, being the fair value at the date of revaluation, plus any subsequent capital improvements.
Interest rate swap	1,244	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.

NOTE 28: FAIR VALUE MEASUREMENTS (CONTINUED)

(d) Reconciliation of recurring level 2 fair value movements

	2017 $'000	2016 $'000
Land and building at fair value		
Opening balance	11,258	11,260
Purchases / additions	45	137
Depreciation	(142)	(139)
Closing balance	11,161	11,258
Hedging instruments		
Opening balance	3,803	1,396
Total gains and losses recognised in other comprehensive income	(2,559)	2,407
Closing balance	1,244	3,803

(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	37,938	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 2017, being the fair value at the date of revaluation, plus any subsequent capital improvements.

(f) Reconciliation of recurring level 3 fair value movements

	2017 $'000	2016 $'000
Land and building at fair value		
Opening balance	37,517	33,259
Purchases / additions	1,814	3,144
Depreciation	(315)	(234)
Net foreign currency movements	(338)	(5)
Reclassification/transfers between groups	(740)	1,353
Closing balance	37,938	37,517

NOTE 29: FINANCIAL RISK MANAGEMENT

Capital risk management

The consolidated entity manages its capital to ensure that entities within 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 17, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 21, 22 and 23 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.

	2017 $'000	2016 $'000
Total External Debt	94,568	87,558
Less: Cash and Cash Equivalents	(2,125)	(2,844)
Net External Debt	92,443	84,714
Total Assets	297,244	270,648
Less: Intangible Assets	(6,678)	(6,678)
Tangible Assets	290,566	263,970
Gearing Ratio	31.81%	32.09%

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 29: 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	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
European Euros	316	1	2,912	3,631
US dollars	1,449	1,542	16,151	13,246

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.

	2017	2016
+ / 10% United States dollars	**$'000**	**$'000**
Impact on profit before tax	1,470	1,170
Impact on equity	16	(10)
+ / 10% Argentinean pesos		
Impact on profit before tax	-	-
Impact on equity	2	6
+ / 10% European euros		
Impact on profit before tax	259	363
Impact on equity	-	-

NOTE 29: 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 has entered into an interest rate swap to fix a portion of the floating rate debt.

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:

	2017	**2016**
+ / 1% interest rate	**$'000**	**$'000**
Impact on profit before tax	542	413

(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 29: 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 2017	**Weighted average effective interest rate**	**< 6 months**	**6 - 12 months**	**> 12 months**	**Total**
	%	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets:					
Non interest bearing assets	0.00	13,739	-	-	13,739
Variable interest rate instruments					
- Cash	0.25	2,125	-	-	2,125
- Amounts receivable from directors and key management personnel	0.00	-	-	98	98
Financial liabilities:					
Non interest bearing liabilities	0.00	15,779	-	-	15,779
Variable interest rate instruments					
- Bank loans	3.23	-	-	54,161	54,161
Fixed interest rate instruments					
- Bank loans	4.93	-	-	30,000	30,000
- Finance lease liability	6.06	195	83	70	348
- Hire Purchase/Chattel Mortgage liability	4.82	1,761	1,064	7,234	10,059
Year ended 30 June 2016					
Financial assets:					
Non interest bearing assets	0.00	14,631	-	-	14,631
Variable interest rate instruments					
- Cash	0.61	2,844	-	-	2,844
- Amounts receivable from directors and key management personnel	0.00	-	-	111	111
Financial liabilities:					
Non interest bearing liabilities	0.00	14,165	-	-	14,165
Variable interest rate instruments					
- Bank loans	3.13	-	-	41,230	41,230
Fixed interest rate instruments					
- Bank loans	5.41	-	-	35,000	35,000
- Finance lease liability	6.06	334	7	348	689
- Hire Purchase/Chattel Mortgage liability	5.32	934	1,496	8,209	10,639

NOTE 29: 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 30: CONSOLIDATED ENTITY DETAILS

The registered office of the consolidated entity is:

151 Broderick Road
LARA VICTORIA 3212

NOTE 31: 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 31: SHARE BASED PAYMENTS (CONTINUED)

Details of the options granted are provided below:

Grant date	Vesting Date	Expiry date	Exercise 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	Exercisable at end of the year
2017										
15-Feb-12*	16-Feb-12	15-Feb-17	$1.50	$1.50	150,000	-	(150,000)	-	-	-
01-Nov-12	02-Nov-12	01-Nov-16	$1.50	$1.30	250,000	-	(250,000)	-	-	-
15-Nov-12	16-Nov-12	01-Nov-16	$1.55	$1.30	1,250,000	-	(1,250,000)	-	-	-
15-Feb-13	16-Feb-13	01-Nov-16	$1.50	$1.50	125,000	-	(125,000)	-	-	-
15-Feb-13*	01-Oct-16	01-Nov-16	$1.50	$1.50	150,000	-	(150,000)	-	-	-
10-Dec-13	11-Dec-13	01-Dec-16	$2.50	$2.40	250,000	-	(250,000)	-	-	-
15-Mar-14	16-Mar-14	01-Dec-16	$2.50	$2.40	52,083	-	(52,083)	-	-	-
01-May-14**	****	01-May-20	$2.50	$2.40	300,000	-	-	-	300,000	180,000
10-Nov-14	10-Nov-21	10-Nov-24	$4.00	$3.30	3,600,000	-	-	(500,000)	3,100,000	-
09-Dec-14	10-Dec-14	09-Dec-17	$3.80	$3.30	300,000	-	-	-	300,000	300,000
01-Feb-15	****	31-Mar-20	$3.80	$3.30	500,000	-	-	(100,000)	400,000	225,000
23-Oct-15	24-Oct-15	24-Oct-18	$3.80	$3.30	324,000	-	-	-	324,000	324,000
31-Jan-16	31-Jan-21	31-Mar-21	$3.80	$3.30	200,000	-	-	-	200,000	-
11-Jul-16	11-Jul-23	11-Jul-23	$4.25	$3.70	-	200,000	-	-	200,000	-
15-Dec-16	16-Dec-16	15-Dec-19	$7.50	$7.00	-	75,000	-	-	75,000	75,000
27-Apr-17	1-Jul-22	1-Aug-22	$9.00	$8.00	-	50,000	-	-	50,000	-
27-Apr-17	1-Jul-24	1-Aug-24	$9.00	$8.00	-	100,000	-	-	100,000	-
1-May-17	****	1-Aug-24	$9.00	$8.00	-	250,000	-	-	250,000	-
					7,451,083	675,000	(2,227,083)	(600,000)	5,299,000	1,104,000
Weighted average exercise price:					$3.21	$7.43	$1.66	$3.97	$4.31	$3.84
2016										
15-Feb-12*	16-Feb-12	15-Feb-17	$1.50	$1.50	150,000	-	-	-	150,000	150,000
01-Nov-12	02-Nov-12	01-Nov-16	$1.50	$1.30	375,000	-	(125,000)	-	250,000	250,000
15-Nov-12	16-Nov-12	01-Nov-16	$1.55	$1.30	1,250,000	-	-	-	1,250,000	1,250,000
15-Feb-13	16-Feb-13	01-Nov-16	$1.50	$1.50	125,000	-	-	-	125,000	-
15-Feb-13*	01-Oct-16	01-Nov-16	$1.50	$1.50	150,000	-	-	-	150,000	150,000
10-Dec-13	11-Dec-13	01-Dec-16	$2.50	$2.40	375,000	-	(125,000)	-	250,000	250,000
15-Mar-14	16-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	120,000
10-Nov-14	10-Nov-21	10-Nov-24	$4.00	$3.30	3,600,000	-	-	-	3,600,000	-
09-Dec-14	10-Dec-14	09-Dec-17	$3.80	$3.30	300,000	-	-	-	300,000	300,000
01-Feb-15	24-Oct-15	31-Mar-20	$3.80	$3.30	-	500,000	-	-	500,000	58,000
23-Oct-15	****	24-Oct-18	$3.80	$3.30	-	324,000	-	-	324,000	324,000
31-Jan-16	31-Jan-21	31-Mar-21	$3.80	$3.30	-	200,000	-	-	200,000	-
					6,677,083	1,024,000	(250,000)	-	7,451,083	2,904,083
Weighted average exercise price:					$3.07	$3.80	$2.00	$0.00	$3.21	$2.20

* 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.

*** The agreement relating to these options was not formally signed until 23 October 2015. However, the price and terms of the options were agreed between parties on 1 February 2015.

**** The option vests over the life of the option and has several vesting dates.

NOTE 31: SHARE BASED PAYMENTS (CONTINUED)

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

There were 675,000 options granted during the year (2016: 1,024,000). 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	**11-Jul-16**	**1-Dec-16**	**27-Apr-17**	**27-Apr-17**	**1-May-17**
Number of options issued	200,000	75,000	100,000	50,000	250,000
Exercise price	$4.25	$7.50	$9.00	$9.00	$9.00
Grant date share price	$3.70	$7.00	$8.00	$8.00	$8.00
Expected volatility	27%	27%	27%	27%	27%
Option life	7	3	7	5	7
Dividend yield	2.70%	1.42%	1.25%	1.25%	1.25%
Risk-free interest rate	2.50%	1.89%	2.61%	2.13%	2.61%

(c) Share options exercised during the year

- 150,000 options granted on 15 February 2012 were exercised on 18 January 2017
- 125,000 options granted on 1 November 2012 were exercised on 11 October 2016
- 125,000 options granted on 1 November 2012 were exercised on 17 October 2016
- 1,250,000 options granted on 15 November 2012 were exercised on 31 October 2016
- 275,000 options granted on 15 February 2013 were exercised on 26 October 2016
- 125,000 options granted on 10 December 2013 were exercised on 17 October 2016
- 125,000 options granted on 10 December 2013 were exercised on 17 November 2016
- 52,083 options granted on 15 March 2014 were exercised on 21 November 2016

(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 $4.31 (2016: $3.21), and a weighted average remaining contractual life of 2083 days (2016: 1,768 days).

NOTE 32: DIVIDENDS

	2017 $'000	2016 $'000
Dividends declared and paid at $0.10 per share unfranked (2016: $0.10 per share partially franked)	5,714	5,492
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	9

NOTE 33: PARENT ENTITY DETAILS

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

(a) Summarised parent statement of financial position

	2017 $'000	2016 $'000
Assets		
Current assets	51	152
Non current assets	144,796	131,896
Total assets	144,847	132,048
Liabilities		
Current liabilities	6,886	3,850
Non current liabilities	85,693	76,229
Total liabilities	92,579	80,079
Net assets	52,268	51,969
Equity		
Share capital	82,332	77,951
Retained earnings	(30,394)	(24,854)
Reserves	-	-
Share based payments reserve	1,201	1,534
Cash flow hedge reserve	(871)	(2,662)
Total equity	52,268	51,969

(b) Summarised parent statement of comprehensive income

	2017	2016
Profit/(loss) for the year	195	1,082
Other comprehensive income for the year	-	-
Total comprehensive income for the year	195	1,082

(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 2017.

(e) Parent entity contractual commitments

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

NOTE 34: CONTINGENT LIABILITIES

In February 2017 Boundary Bend agreed to purchase a parcel of land near Mildura for $6.2 million of which $5.9 million remains payable. The property has approximately 3,000 hectares suitable for planting olive trees. The property settlement is conditional.

NOTE 35: 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 (Innovation and Value-Adding 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:

	2017 $	2016 $
Compensation received by key management personnel of the consolidated entity:		
- short-term employee benfits	1,759,746	1,814,179
- post-employment benefits	92,174	90,942
- share based payments	214,330	266,542
	2,066,250	2,171,663

NOTE 36: SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidate entity in future financial years.

NOTE 37: COMMITMENTS FOR EXPENDITURE

At 30 June 2017 there were the following commitments for expenditure:

- Plant & Equipment	$2 million
- Land & Buildings	$11.8 million

In February 2017 Boundary Bend agreed to purchase a parcel of land near Mildura for $6.2 million of which $5.9 million remains payable. The property has approximately 3,000 hectares suitable for planting olive trees. The property settlement is conditional.

DIRECTORS' DECLARATION

The directors of the consolidated entity declare that:

1. The financial statements and notes, as set out on pages 28 - 77, 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 2017 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 21 September 2017

Deloitte.

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Boundary Bend Limited (the "Company"), and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2017, consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by Board of Directors.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and Group's financial position as at 30 June 2017 and of their financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to Board of Directors of the Company, would be in the same terms if given to the Board of Directors as at the time of this auditor's report.

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

Other Information

Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Report

Board of Directors 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 Board of 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 preparing the financial report, Board of Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 25 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Boundary Bend Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of Boundary Bend Limited 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Rachel Smith
Partner
Chartered Accountants
Melbourne, 21 September 2017