BOUNDARY BEND LIMITED

Boundary Bend Limited and controlled entities

ABN 32 115 131 667

Financial report

For the year ended 30 June 2020

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BOUNDARY BEND
LIMITED
Australia's premier olive company

24 September 2020

Dear Shareholders,

As you may recall, our post-harvest update to shareholders in July advised that a material loss would be incurred for the year ending 30 June 2020. Final audited accounts confirmed this is the situation with a loss recorded of $40.2 million before tax, and $32.7 million after tax. Obviously, this is a most disappointing outcome. On the other hand, importantly, we reported an operating[1] cash surplus of $6.99 million for the year. This cash surplus reflects the operating reality of using the oil from high harvest years to supplement the low harvest years, thereby aligning the supply of oil to match the more consistent monthly sales.

For clarification, there were four main reasons for the loss: the low harvest, high water prices, and losses in the USA and Wellgrove businesses.

Low harvest: the harvest yielded 6.2 million litres, approximately 3.5 million litres lower than expected, with a lost value in the order of $24 million. Extensive analysis was undertaken to identify the reasons for the lower harvest. There were many contributing factors identified: unseasonal cool weather in autumn negatively impacting oil accumulation, combined with very wet conditions that caused fruit drop prior to picking, were major contributing reasons. In fact, April rainfall at Boort was the highest recorded since records began in 1881. Although it does not change the outcome, we are advised that other olive groves in southeastern Australia also had poor crops and the issues were not just in our groves. Looking ahead, we have high expectations for a good 2021 harvest, assisted by the biennial cropping nature of olive trees, and material volume of fruit from younger groves coming into production. As a comparison, in our last 'on-year' (2019 harvest), we harvested 13.1 million litres of oil.

Water costs: the price of irrigation water continued to increase on last year's very high prices. In FY 2020, $20.5 million was paid for water, compared to $16.1 million in FY 2019, with an average price of $643 per ML compared to the long-term average of $180 per ML. Had the water been purchased this year at the long-term average of $180 per ML, water costs would have been $5.7 million instead of $20.5 million, a difference of $14.8 million. In the early part of the 2020/2021 season we are seeing water prices trend back towards long-term average prices, and is currently around $300 per ML on the Murray, and around $200 per ML on the Goulburn system. If we receive further good rainfall across the Murray Darling Basin in coming months, (which the Bureau of Meteorology is forecasting) we expect the cost of water to continue to soften.

USA Olive Oil business: Sales of packaged goods were US$12.3 million compared to US$3.0 million in the prior year, a very significant step forward. However, an EBIT loss of A$10.3 million was incurred, partly reflecting the cost of establishing the brand, but also reflecting some poor local management resulting in changes at senior levels. Executive Director Paul Riordan is now in full operational control of the US business, and he has directed the substantial increase in sales and adjusted the cost base to match. We can report that the US business is currently operating at a positive EBITDA level, and for the months of July and August 2020, combined gross sales exceeded US$5 million. Gross sales for the current year are forecast to be more than US$20 million. We are starting to achieve good progress in the USA.

Wellgrove / Value-add: this business is very much still in the development phase. Sales increased to $2.2 million from $1.3 million in the previous year, but these sales were below our expectations. The

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

EXECUTIVE CHAIRMAN'S REPORT

COVID-19 situation has severely impacted pharmacy foot traffic and very much disrupted our marketing efforts to increase market share. A number of our products with their immunity characteristics sell best in winter, but with COVID-19 taking over in March, and very little cold and flu present this year due to COVID-19 lockdowns, the winter business was very much disrupted. An EBIT loss of $8.8 million was recorded for this business, partly reflecting the major ongoing research and development cost associated with developing new products, and also substantial marketing costs incurred but subsequently partly wasted due to the COVID-19 disruption. The cost base of this business has now been reduced to ensure that a repeat of these losses does not occur, but at the same time good work continues to develop the business.

Operating Cashflow

Boundary Bend's operating cashflow recorded a surplus of $6.99 million for the 2020 financial year, compared to $0.12 million in 2019. As discussed earlier in this report, the operating cashflow of the business is more consistent than our reported profit, where we are required to value the crop in the year of harvest. The operating cashflow reflects when the oil is sold and more closely aligns with the uniformity of our customer demand.

Below is a summary of our reported operating cashflow for the business over the last five years, together with a split of the operating cashflow between the Australian olive oil business, the US olive oil business and Wellgrove /Value-add business.

	FY16 ($'000)	FY17 ($'000)	FY18 ($'000)	FY19 ($'000)	FY20 ($'000)
Operating Cash Flow (before interest and tax), by segment:					
Australian olive oil business	27,111	28,860	33,969	14,566	31,107
USA olive oil business	(6,103)	(7,091)	(7,347)	(4,160)	(8,427)
Wellgrove / Value-add	(699)	(2,250)	(3,835)	(5,405)	(9,647)
	20,309	**19,519**	**22,787**	**5,001**	**13,033**
Group interest	(3,836)	(3,695)	(3,913)	(4,875)	(6,037)
Group tax	(3)	(3)	(73)	(5)	(6)
Group Operating Cash Flow (reported)	**16,470**	**15,821**	**18,801**	**121**	**6,990**

Balance Sheet

At 30 June 2020, Boundary Bend had net assets of $146 million or $2.38 per share (2019: $180 million or $2.94 per share) and reported gross assets for the company were $391 million (2019: $403 million).

The drawn bank debt position at 30 June 2020, in Australian dollars, was $140.3 million, leaving an unused facility limit of $8 million. We are pleased to announce that we have amended our current facility, removing a profit covenant and extending the expiry of all term debt to October 2024. At 30 June 2020, the gearing level of Boundary Bend was 41.65% (34.20% at 30 June 2019).

Dividend

It is the Board's intention to release details regarding a dividend at the Annual General Meeting to be held on 29 October 2020.

COVID-19

In early March, when COVID-19 cases began to grow in Australia, Boundary Bend took a series of proactive steps in limiting staff movement between locations. This quickly evolved to staff working from home (where possible), and comprehensive planning to safely navigate our Australian harvest by safeguarding employees, contractors and ultimately the business.

The months that followed saw the COVID-19 situation rapidly evolve, and with harvest fast approaching, this added another layer of complexity to an already intense period for the business. A significant number of measures were implemented and remain in place at all sites, to protect the wellbeing of staff, and to ensure the continuation of business operations.

Supply chains from both suppliers and customers faced challenges during the pandemic. Balancing increased sales orders, production, and logistics was an enormous task for the business during this period; fortunately, we have not experienced any material supply chain disruptions to date.

Reflecting on this period, I am proud of how our business responded to the COVID-19 pandemic, and proud of how our employees handled the situation they unexpectedly found themselves in.

COMPANY OVERVIEW – SUMMARY OF KEY ACTIVITIES & DIVISIONS

- **Cobram Estate:** achieved global net sales of $69.9 million in FY 2020 ($57.2 million in FY 2019), an increase of 22.3%. In Australia, we remain the number one selling retail brand of extra virgin olive oil (EVOO) by every measure: value (32.7% of market), volume (20.3% of market) and number of units sold (27.1% of market)[2]. In the USA, the Cobram Estate brand continues to grow, increasing by $3.7 million, to $7.4 million for FY 2020. Cobram Estate is now listed in over 10,000 USA stores and is ranked in the top ten EVOO retail brands (by value).

- **Red Island:** achieved net sales of $23.8 million in FY 2020 ($14.2 million in FY 2019), making it the number three selling retail brand of extra virgin olive oil in Australia, with market share as follows: value (11.6% of market), volume (11.7% of market) and number of units sold (9.8% of market).[2]

- **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. In the USA, Boundary Bend is the third largest marketer of Californian olive oil.

- **Grove Operations:** Boundary Bend planted its first groves in 1999. In Australia, the Company has continued to develop, and now owns and operates 6,146 hectares of irrigated olive groves (of which 39.6% are not mature and 15.6% have not yet produced a crop). In the USA, the Company has 542 acres of planted olive groves on owned and long-term leased land.

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

- **Oil Storage:** Boundary Bend has approximately 13 million litres of stainless-steel storage in Australia and 2.9 million litres in the USA, all housed in modern storage facilities with temperature, light and oxygen controlled to ensure the oil is kept at the highest standards 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 USA facility has a bottling line capable of filling approximately 3,500 per hour, both branded and private label.

- **Technical Advice and Laboratory Services:** Advisory services covering all aspects of the industry relating to project development, technical advice and applied research. The Company

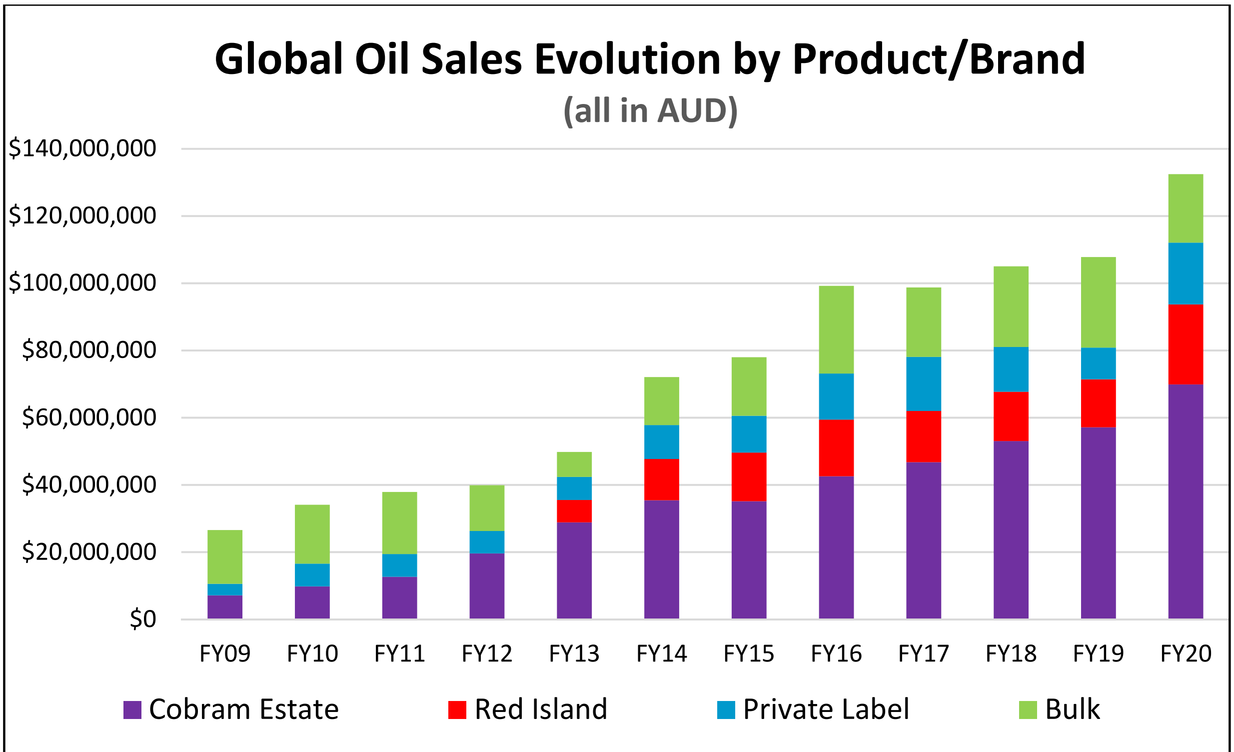
[2] Aztec IRI Australian Grocery weighted data for year ended 30 June 2020

also owns and operates two ISO accredited olive oil laboratories, one located at Lara and the other at our USA facility. The Lara Laboratory is a Therapeutic Goods Administration (TGA) accredited laboratory.

- **Nursery:** Our Lara site includes a large scale, specialist olive nursery, supplying olive trees to commercial growers, wholesalers, retail nurseries and national chain stores.

- **Innovation & Value-Add:** A relatively new division tasked with value-adding and commercialising various olive by-products, with sales divisions in both Australia and the USA.

OLIVE OIL SALES SUMMARY:



Source: Company data. Note: sales are net of promotional contributions and trading discounts.

Boundary Bend reported strong olive oil sales growth for the financial year, with global sales increasing by 22.8% from $107.8 million in FY 2019 to $132.4 million in FY 2020. This was principally driven by our packaged goods business in both Australia and the USA.

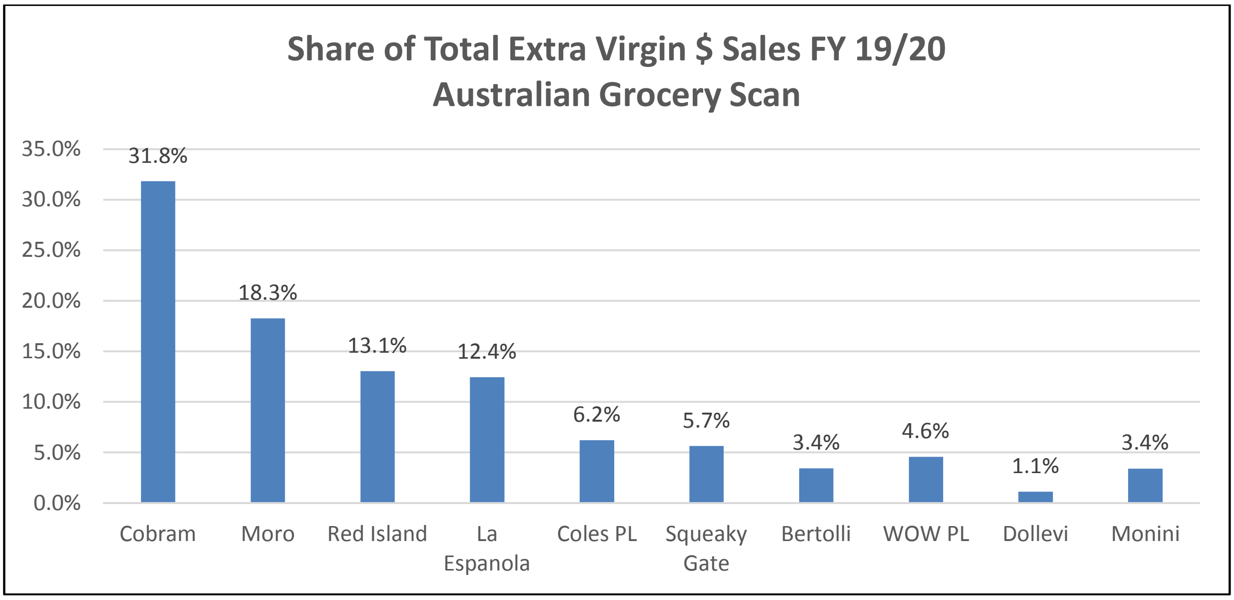
It is pleasing to see very strong growth in our US business with Cobram Estate sales more than doubling prior year sales. Cobram Estate in Australia has also grown significantly, increasing by 17.0% from last year, mainly driven by sales of our 750mL bottles. Sales of Red Island increased by 67.4% thanks to a strong promotional program on the bottles and the performance of the Red Island tin in Woolworths. Even before the panic buying in supermarkets, our brands were already growing by 17.4%[3] in Australia thanks to our existing customers buying more Cobram Estate, and new shoppers moving to Red Island.

[3] Aztec IRI Australian Aus Grocery - data value sales March-February 2020 vs March-February 2019.

AUSTRALIAN SALES AND MARKETING

In the extra virgin olive oil category, Cobram Estate remains the clear market leader despite very aggressive pricing strategies from the European brands focused on their bulk offering. Red Island has increased its market share by 51%[4] to be the third biggest brand in the market. Moro is selling 59%[5] of their volume in tins, which have seen some significant growth since COVID-19. La Espanola's growth has been driven by aggressive discounting, and now sell 89%[6] of their volume on promotion.

Cobram Estate maintains a larger market share, in dollar terms, than the sum of the second and third biggest brands in the category (Moro and Red Island combined).



Marketing & Sponsorships

Promoting usage and educational marketing on the versatility of extra virgin olive oil was still a key objective over the last 12 months. This was elevated by our continued investment in developing engaging cooking content through partnerships, including Everyday Gourmet with Justine Schofield and The Taste of Australia with Hayden Quinn. With Cobram Estate featured in sponsored in-show cooking segments, the brand was further promoted across social media channels to amplify the reach and engage new audiences.

With the onset of COVID-19 resulting in more people staying at home and a spike in Google search volume for recipe ideas and home cooking, we developed a range of engaging but simple cooking videos in partnership with Justine Schofield, Matt Sinclair and Dr Joanna McMillan. These clips were filmed in the presenters' home kitchen, and were designed to cut-through and engage with consumers. The campaign generated over **1.7 million** video views.

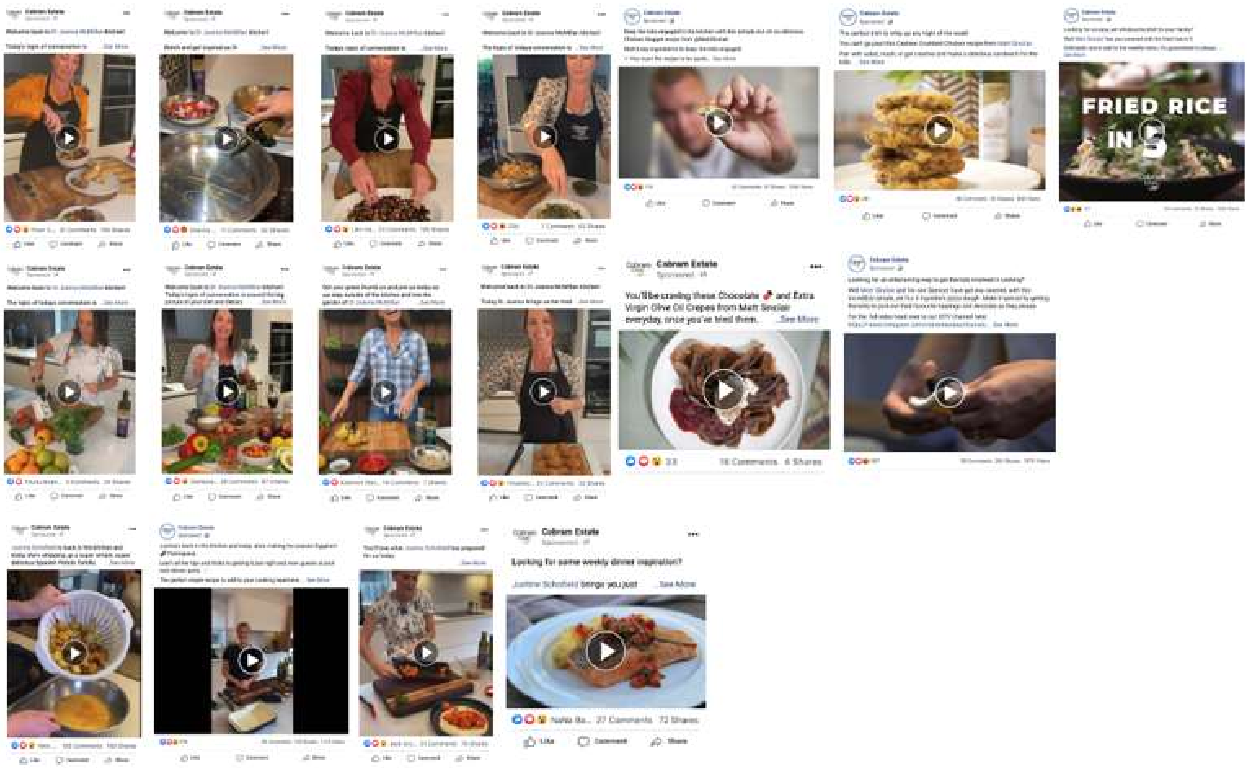
During April we also partnered with over 40 influencers with a combined audience reach of over 2.2 million to promote a Cobram Estate Distance dinner, a way of encouraging people to cook at home. This night was linked to driving donations to Foodbank, to help those in need. Cobram Estate supported Foodbank

[4] Aztec IRI Australian Aus Grocery – value share of Extra Virgin Olive Oil - FY 20 vs FY 19.
[5] Aztec IRI Australian Aus Grocery – Moro value sales Tins vs Total Moro - FY 20 vs FY 19.
[6] Aztec IRI Australian Aus Grocery – % volume sold on promotion FY 20.

by donating the cost of 20,000 meals, along with 15,000 bottles of EVOO. The campaign was picked up by Taste.com, Good Food Australia, Broadsheet and Better Homes & Gardens.

Our focus will continue to be on inspiring our loyal consumer base with new ways to cook with Cobram Estate and expanding their usage occasions, whilst attracting and converting new audiences to the brand.

At-home Cooking Series with Dr Joanna McMillan, Justine Schofield & Matt Sinclair – Apr/May 2020



Educating Health Care Professionals' Program

The Cobram Estate Health Care Professionals' Program continues to grow and evolve to ultimately increase recommendations and sales of Cobram Estate, principally through education of the health care professional community. Over time, this leads to a large health professional community of supporters that help educate consumers on the health benefits of Cobram Estate EVOO via various channels such as TV media, social media, private practice and universities. The program has readily adapted to virtual platforms in the face of COVID-19, and continues to remain a relevant and valuable tool for health professionals. The program is recognised as an industry leader by the health professional community.

Key achievements over the last 12 months:

- Launched the first live Cobram Estate virtual oil tasting event, as detailed further below.
- Launched an inaugural month-long health professional campaign to encourage increased consumption of Cobram Estate EVOO. This received wide reaching social media coverage as well as increased volume recommendations of EVOO and usage in a leading lifestyle medicine association education module.
- Growing our audience to include other health professionals that have wide reach to consumer oil purchasing behaviours (e.g. pregnancy specialists and chronic disease management specialists).

<u>Virtual Cobram Estate Extra Virgin Olive – Virtual Oil Tastings</u>

Harvest is a great time to showcase our new season oil, with tasting sessions at the groves to those in attendance. With COVID-19 restrictions, we decided to take our tastings online and created our 'Virtual Tasting sessions'. The initiative was started by our Health Care Professional team to run simulated tasting sessions with groups of health care professionals across the country. We then extended this approach to our consumer database, and had over 300 consumers sign up for the first one-hour session. The feedback was phenomenal, with a post event survey highlighting extremely positive sentiment. This has now become a key consumer marketing initiative in FY 2021, with an extensive waiting list of participants for the next event in October 2020.

OLIVE GROVES & GROWING SEASON

Fire prevention

The 2019/2020 growing season was notable for some periods of extreme hot weather from November through to February, with numerous total fire ban days. Management at all groves put into place bushfire preparedness measures, and firefighting training was held on site. Additional firefighting equipment was also purchased to enable us to better protect our groves.

Looking to the year ahead, there has been excellent rainfall across all groves in autumn and late winter which has helped to provide very good conditions for the early part of the growing season.

Capital Projects

Preparation for replanting 450 hectares at Boort Estate continues, with this area to be planted over spring 2020 and autumn 2021. This is the last of the replant area at Boort Estate, completing a 6-year project to ensure we have the best performing, and most productive varieties in our groves.

Based upon results of climate mapping, a program of frost fan installation was completed at Boundary Bend Estate to help protect the most frost-susceptible areas of the grove. This has been completed, with a total of 137 frost fans now in place. Most importantly, these fans should ensure more overall productivity and less crop variability in future years.

Further to last year's promising harvester re-design project, a second harvester (the Optimus II) was commissioned and trialled during the 2020 harvest. The aim of this project is to increase overall harvest efficiency, by increasing harvester speed (and therefore lowering cost), while decreasing the amount of fruit loss. Early trials were very promising.


<u>COVID – 19</u>

In order to protect all staff, both permanent and harvest casuals, and to safeguard a successful olive harvest, a suite of measures was put into place for harvest 2020. These included:

- Requirement for 14-day isolation period on farm was put in place for all casual staff.
- Health professionals were engaged – a full time registered nurse was at each site and nurses' clinic installed, plus a doctor available on call at all times.
- All staff were swabbed for coronavirus and then temperature-tested at the start of every shift.
- Facemasks, gloves, sanitisers and cleaning products were provided.
- Food was provided to all staff (three meals per day) for the duration of harvest and the isolation period. A total of 67,000 meals were provided to staff during the harvest period.
- To allow for social distancing, there could be no sharing of accommodation facilities such as bathrooms and kitchens during harvest, as in previous years. To facilitate this, more than 60 motorhomes and caravans were hired for the harvest period to house casual staff who did not have their own caravans. In addition, power, septic and water services were installed at the groves, along with laundries, paths, and motion sensor lighting.
- Additional staff were employed to distribute food and for the extra environmental cleaning that was required. Food distributors participated in and passed a food safety handling course.

WATER

The long-anticipated interim report into water trading in the Murray Darling Basin was released by the ACCC on the 30th July 2020. The 542-page report covers a lot of ground, but in summary:

ACCC has identified a range of key problems, including that:[7]

- *water market intermediaries such as brokers and water-exchange platforms operate in a mostly unregulated environment, allowing conflicts of interest to arise, and opportunities for transactions to be reported improperly*
- *there are scant rules to guard against the emergence of conduct aimed at manipulating market prices, and no particular body to monitor the trading activities of market participants*
- *there are information failures which limit the openness of markets and favour better-resourced and professional traders who can take advantage of opportunities such as inter-valley trade/transfer openings*
- *differences in trade processes and water registries between the Basin States prevent participants from gaining a full, timely and accurate picture of water trade, including price, supply, and demand*
- *important information, such as allocation policies and river operations policy, which can significantly impact water pricing, are inadequately communicated to the irrigators and traders who rely on these to make business decisions*

[7] Murray-Darling Basin water markets inquiry—interim report

- *there is a disconnect between the rules of the trading system and the physical characteristics of the river system. For example, on-river delivery capacity scarcity, conveyance losses and adverse environmental impacts are not considered in processing trades that change the location of water use, except through limited blunt and imprecise rules, such as ceilings on inter-valley trade/transfers*

- *overarching governance arrangements, which result in regulatory fragmentation and overlapping of roles of different governing bodies, contribute to many of these problems, or prevent them from being addressed in an effective and timely way.*

The ACCC is taking feedback/submissions on this interim report until the 30th of October 2020, with the final report's completion date extended from the 30 November 2020 to 26 February 2021.

In our view, the report does not adequately distinguish between trade in Allocation water and trade in Entitlement water. It covers them both off as 'water trade.' The economic and social impacts are very different.

While we support non-water users investing in Entitlement water (permanent water) we vehemently oppose non-water users buying water in the Allocation market (temporary water).

In dry years, non-water users (speculators and traders) purchasing Temporary Water in the Southern Murray Darling Basin are crippling irrigators and the communities in which they operate. With the number of dry years expected to increase, irrigators can expect an increase in traders and speculators entering the market, thus making water input costs higher at a time when they can least afford it.

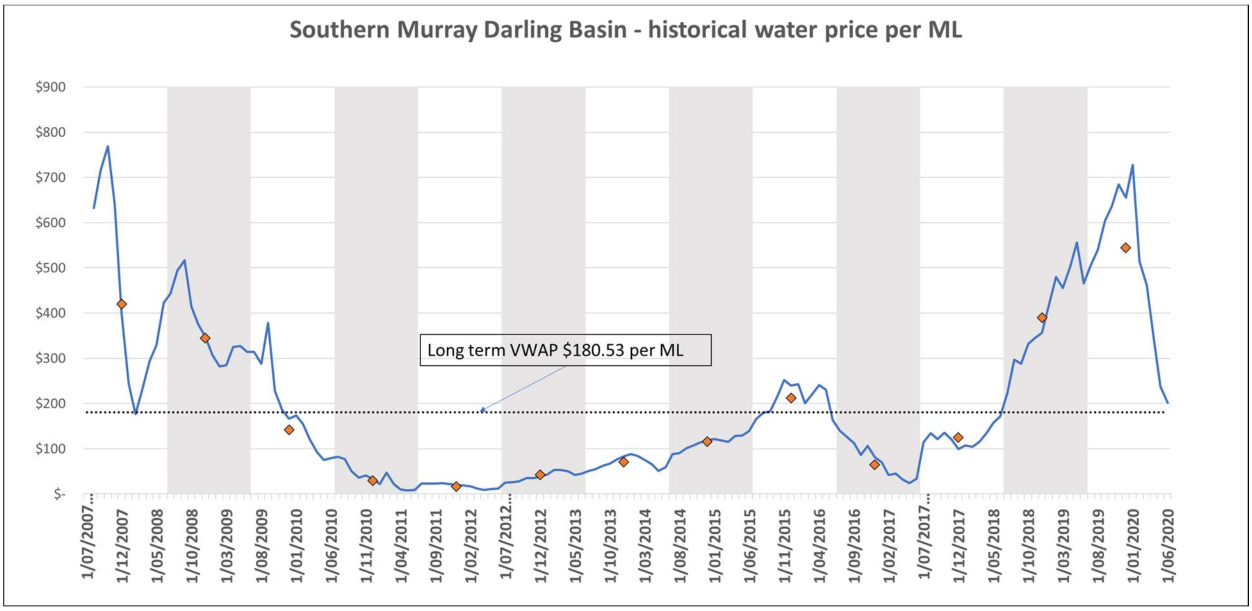
To read the full interim report please click on the link below.

https://www.accc.gov.au/focus-areas/inquiries-ongoing/murray-darling-basin-water-markets-inquiry/interim-report

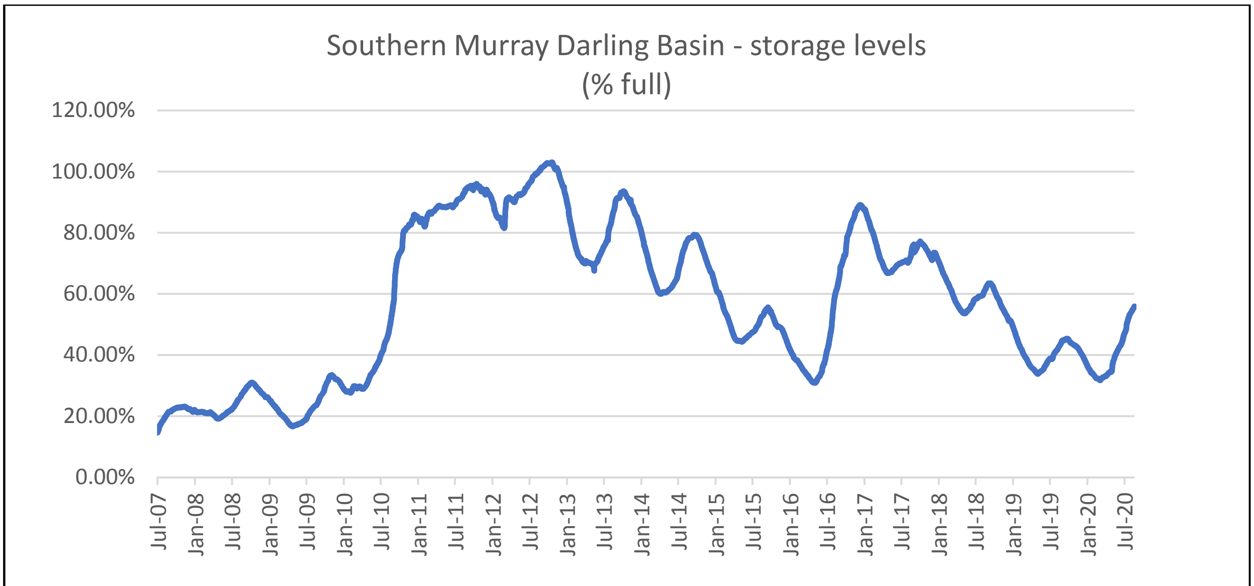
As discussed earlier in the report, we paid $20.5 million for water this year (FY2019 $16.1 million), at an average price of $643 / ML. Had the water been purchased this year at the long-term average of $180 per ML, water costs would have been $5.7 million instead of $20.5 million, a difference of $14.8 million. In the early part of the 2020/2021 season we are seeing water prices trend back towards long-term average prices, and is currently trading around $300 per ML on the Murray, and around $200 per ML on the Goulburn system. If we receive further good rainfall across the Murray Darling Basin in coming months, (which the Bureau of Meteorology is forecasting) we expect the cost of water to continue to soften.

Below is a chart showing the long-term price of Temporary Water across the Southern Murray Darling Basin, with a second graph showing the current and historical storage level.

EXECUTIVE CHAIRMAN'S REPORT



Source: H2OX water exchange (The blue line represents the monthly volume weighted average price (VWAP), while the orange dots represent the VWAP for the season)



Source: H2OX water exchange

USA OLIVE OIL BUSINESS

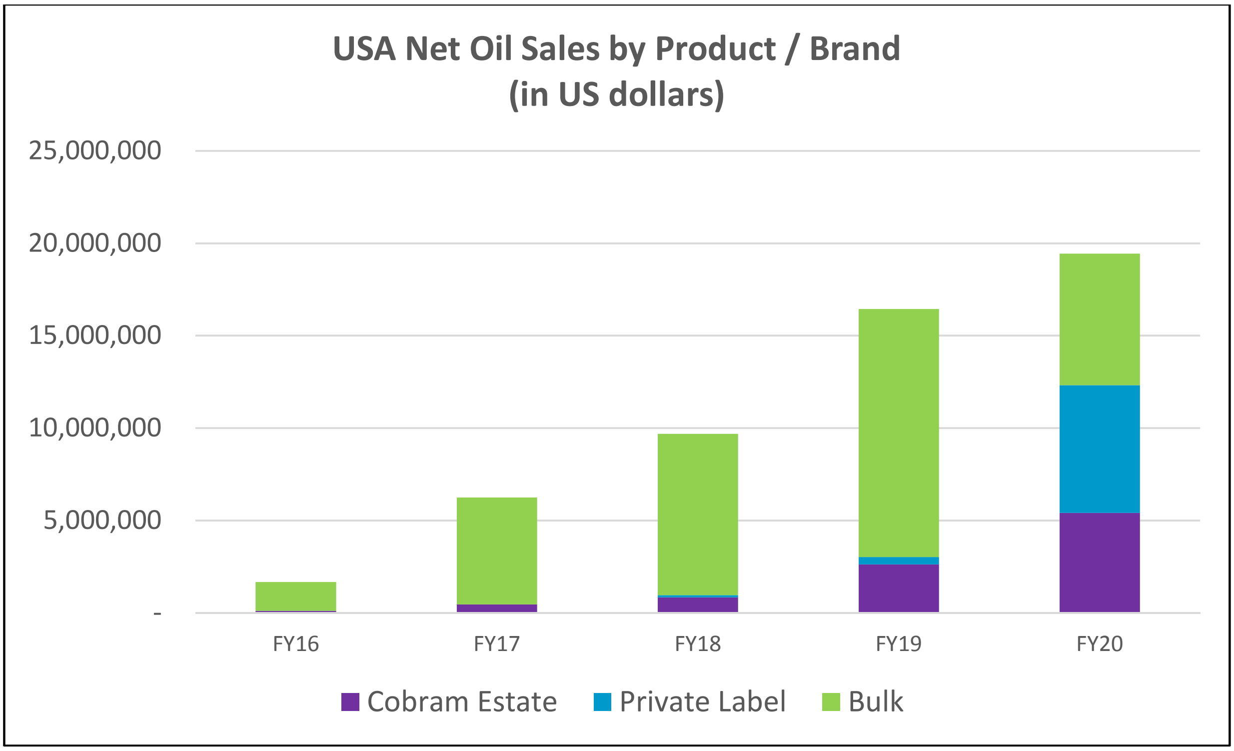
The USA business experienced significant growth during FY 2020, with further growth forecast in FY 2021. Particularly during the second half of the financial year, we experienced a significant increase in demand and consumption of our packaged goods products (Cobram Estate California Select, Cobram Estate Essentials, and Private Label) caused in part by changing consumer habits and pantry stocking due to the COVID-19 pandemic.

This growth is predominantly driven by the transition and expansion into branded and private label packaged goods.

The USA operates a vertically integrated olive business with the following sites/functions:

- Milling and storage – Fruit milling and oil storage at our Woodland California facility - the site is now capable of milling 32 tons of fruit per hour, or some 750 tons per day.
- Laboratory – fully accredited with the American Oil Chemists Association.
- Fruit supply contracts – with third party growers who supply fruit to Boundary Bend.
- Warehousing – bottling and packaged goods storage facility.
- Grove ownership – we currently have 542 acres planted on a mixture of long-term lease and freehold properties.

Sales



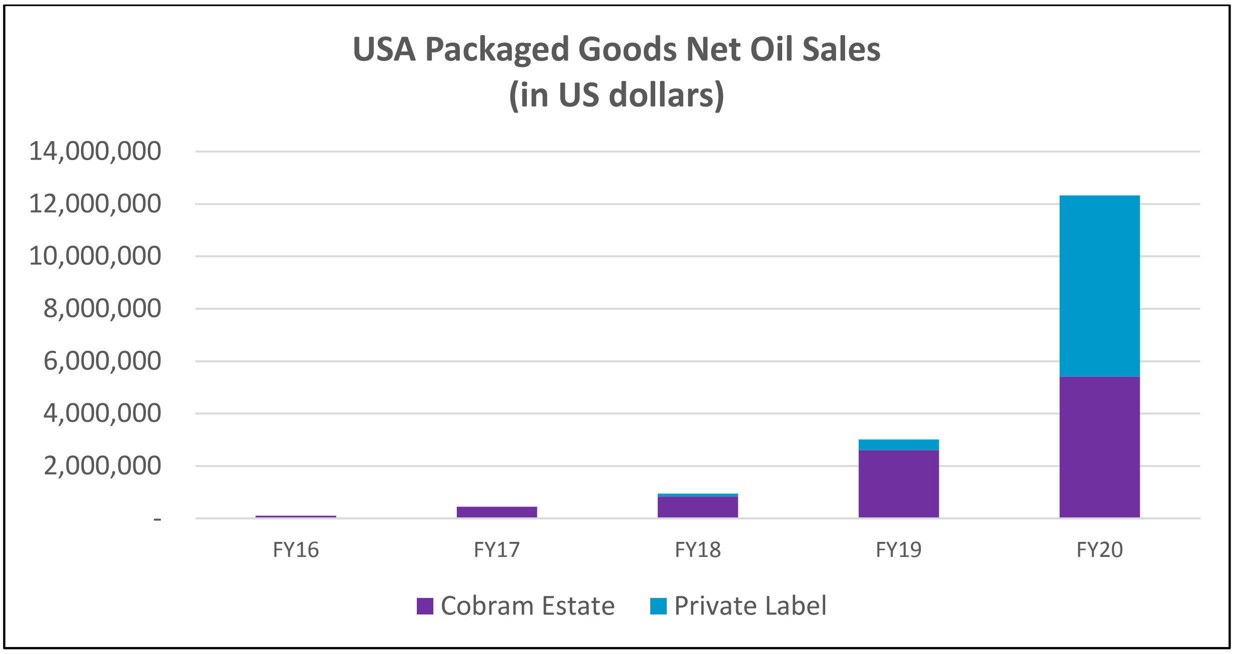
USA olive oil sales achieved US$19.43 million for the 2020 financial year (2019: US$16.44 million), which equates to annual sales growth of 18%. Importantly, USA oil sales made a significant transition towards the higher value packaged goods (Cobram Estate and Private Label) in FY 2020, transitioning from 82% bulk and 18% packaged goods in FY 2019 to 37% bulk and 63% packaged goods in FY 2020. This transition came on the back of strong demand for Cobram Estate and California Private Label EVOO.

Cobram Estate USA

Cobram Estate USA achieved total sales of US$5.4 million for the 2020 financial year (2019: US$2.6 million). The growth was driven by the continued success of our Select range and the expansion of our Essentials range, launched in May 2019. The Cobram Estate Select range represented 58% of our branded business, with Cobram Estate Essentials range accounting for 42% of our sales. The Select and Essentials ranges are stocked in over 10,000 stores nationally in the USA, and have pushed the brand into the top 10 in terms of retail dollar sales.

Private Label USA

USA private label sales totalled US$6.9 million for the 2020 financial year (2019: US$0.4 million). This significant growth came from growing demand for California EVOO together with US retailers' increasing focus on Private Label.



BOUNDARY BEND WELLNESS – INNOVATION AND VALUE-ADD

The Boundary Bend Wellness division is responsible for the research, development and sale of products left over from our olive oil production. This is a core part of our company strategy to improve the sustainability of our operations and minimise waste on our groves.

The primary focus of this division has been on the extraction of antioxidants from our olive by-products (including leaves and pomace) and more recently, on the commercialisation of these products, through the launch of new health and wellness brands. As we experienced over a decade ago with the establishment of a market for Australian extra virgin olive oil and the Cobram Estate brand, the commercialisation of new products takes considerable time and investment to grow category demand and generate awareness/demand for our new brands and products. Over the last twelve months we have achieved some success and faced considerable challenges on this journey.

The illustration below highlights the pathway of some of our new products made from fresh olive leaves alongside the production of our Cobram Estate extra virgin olive oils.

EXECUTIVE CHAIRMAN'S REPORT

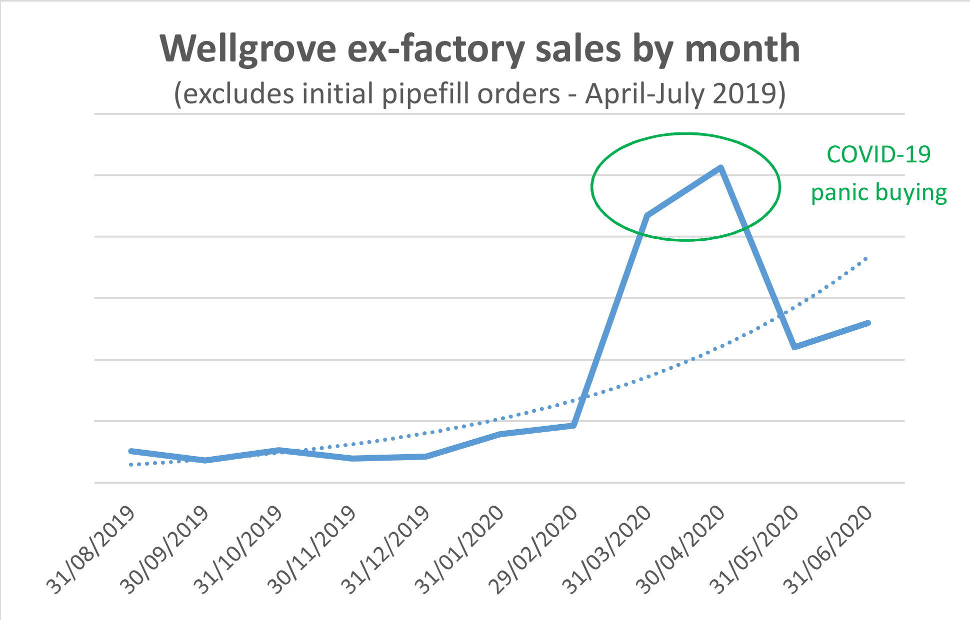
Financial results

For the year ending 30 June, the Boundary Bend Wellness division generated revenues of $2.2 million, (2019: $1.3 million). Australian operations accounted for 71% of sales, with revenue totalling $1.5 million. Our Wellgrove health and wellness brand accounted for around 76% of sales with total revenue of $1.6 million (Australia – $1.1 million; USA – $0.5 million).

Despite the substantial growth in revenues achieved, when combined with our continuing investment in R&D, and our investment in category education through the Olive Wellness Institute, an operating loss of $8.8 million was recorded (Australia – $6.6 million; USA – $2.1 million). There were several key factors driving the result, which was worse than budget expectations. Australian packaged goods sales were significantly impacted by strong competitive pressure during the first half of the year, followed by a significant COVID-19 related slowdown in pharmacy foot traffic and sales in the last three months of the financial year. In the USA, whilst Wellgrove sales on Amazon performed well, sales in other retail channels have taken longer to develop, but the investment in time and channel building is starting to show some promising results.

As the following chart illustrates, Wellgrove sales have been on a steady upward trajectory since August 2019. COVID-19 resulted in a substantial spike in sales which, unlike olive oil, has since subsided.

EXECUTIVE CHAIRMAN'S REPORT



Wellgrove USA

The Wellgrove brand was launched about a year ago in North America. Since the launch, we have added five new SKU to our offering. As we continue to gain brand awareness and exposure, we are constantly looking for new channels and product extensions to expand and capitalise on the ever-increasing importance of customers wanting honest, real, and trusted products.

With Amazon being our core retailer in the USA, we have a major focus on this channel. To this point, we consistently rank in the top 20 products in the olive leaf category, and with our product expansion into categories like KETO, our customer base and market size are expanding exponentially. With a strong focus on digital sales and marketing in North America, we are continuing to expand and accelerate our reach every day. The exposure generated has placed us in a good position, from which we can springboard into new channels including natural retailers, health care offices and pharmacies.

EXECUTIVE CHAIRMAN'S REPORT

Our current Wellgrove USA range:

- **Super Immunity + Heart Health**
  - Immune support plus heart health support
  - Available in liquid (natural and berry) and capsule formats

- **Super Antioxidant EVOO**
  - Launched in June of this year
  - Available in liquid and capsule formats

- **Wellgrove KETO Super Powder**
  - Launched in July of this year
  - This product has seen some of the most explosive growth thus far for Wellgrove

Wellgrove Australia

Wellgrove products were launched in Australia in April/May 2019, with distribution in both pharmacy (including Chemist Warehouse) and grocery (Coles). Over the past three months we have expanded our range to include an Australian first "Heart Health" extra strength olive leaf extract capsule, plus two olive leaf-based throat products.

Our current Wellgrove Australia range includes:

- **Wellgrove Immune Support**
  - A premium quality olive leaf extract: traditionally used in Western Herbal Medicine to support a healthy immune system and helps to relieve symptoms of common colds and flu.
  - Available in capsule and liquid form (natural, berry and green apple flavours).

- **Wellgrove Heart Health:**
  - An 'Extra Strength' olive leaf extract formulation that helps keep cholesterol levels within a healthy range in the body and helps support overall healthy heart function.
  - Available in capsule and liquid form (natural and mint flavours).

- **Wellgrove Throat Gargle:**
  - A natural, plant-based throat gargle alternative featuring the antioxidant benefits of olive leaf extract.
  - Available in refreshing mint flavour.

- **Wellgrove Throat Spray:**
  - A natural, plant-based throat spray featuring the antioxidant benefits of olive leaf extract.
  - Available in refreshing mint flavour.

Olive Leaf Tea

Whilst our Stone and Grove tea sales have been impacted in several export markets by COVID-19, and our inability to encourage trial through tastings, in Australia our focus has shifted largely to online sales and marketing initiatives. This transition to online, whilst still small, has resulted in a positive uplift in sales. Recently we have released a new herbal tea blend featuring our olive leaf, combined with botanicals including cinnamon, allspice and liquorice – 'Serenity Spice' – see picture alongside.

Other products

From an R&D perspective, we are continuing to work on the development of new 'value-add' products. However, COVID-19 restrictions and budget tightening have meant that some projects and initiatives have been temporarily put on hold. We are continuing to pursue the use and sale of raw material by-products, with a substantial quantity of olive pit being used internally for thermal energy generation and sold to external parties for use in thermal and electrical energy generation.

Olive Wellness Institute

In the third year of the Olive Wellness Institute, we have experienced significant growth and continue to witness the value of non-branded, category education on extra virgin olive oil and olive leaf extracts to healthcare professionals. The Olive Wellness Institute is managed by our inhouse Pharmacist, Naturopath and Nutritionist. Recently the Olive Wellness Institute received partial funding from Hort Innovation, using the Olive Fund research and development levy and contributions from the Australian Government, for a period of three years. This offers a great opportunity to expand on education relating to olive products, to Australian healthcare professionals and other new audiences.

ENVIRONMENTAL SUSTAINABILITY

There is an ever-increasing community focus on each individual company's social license to operate including their environmental footprint and sustainability. It has also become apparent that consumers are more concerned than ever about the environmental footprint and sustainability behind the products they purchase. As part of Boundary Bend's proprietary Olive.IQ® growing system, our technical team, headed by Leandro Ravetti, has produced a detailed report analysing olive crops and Boundary Bend's operations in terms of sustainable food production. Following is a summary of key take-outs from this report:

- The food we eat, and how we produce it, may help determine the future health of people and the planet. It is becoming clear that major changes in agricultural practices must be made to avoid continued environmental degradation. From a crop sustainability point of view, olive crops outperform all other edible oil crops across all six environmental processes considered. Olive crops are:

- the only mainstream edible oil crop which acts as a carbon sink;
- the most efficient crop in terms of use of water, nitrogen and phosphorus fertilisers; and
- an evergreen perennial crop, providing a great level of biodiversity and very limited negative impact from land-systems change.

- Fruit production and soil preservation can contribute to mitigating the increase of atmospheric CO_2 by acting as a carbon sink. The ability to fix carbon varies from grove to grove, but the International Olive Council has estimated that producing one litre of extra virgin olive oil captures an average of 10.65 kg of CO_2 from the atmosphere, with one hectare of the average olive grove neutralising the carbon footprint of a person. This is in contrast to what occurs with the main edible oil industries, where the production of those refined edible oils, at a global level, has a negative net effect on atmospheric CO_2.

- During the past 20 years, Boundary Bend has taken a number of measures to enhance the carbon sequestration ability of our olive production systems. Because of the adoption of these sustainable practices, it is estimated that Boundary Bend groves sequestrate nearly 10 times more CO_2/ha per olive grove than the global average for olive groves.

- When it comes down to water usage, agronomists usually compare the water needs of any crop to the water needs of actively growing closely cut grass. Olive crops have one of the lowest requirements, using 30% to 40% less water than grass. Other permanent crops such as most nut and fruit trees will use between 10% and 30% more water than grass. As a consequence of the adoption of more sustainable and efficient agricultural and industrial practices, and due to the significantly higher yields than the industry average, it is estimated that Boundary Bend groves produce olive oil with a consumption of water 37% lower per ton of oil than industry best practice.

- Production of olive oil uses approximately 50% less nitrogen fertiliser per hectare than most other edible oil crops such as palm or rapeseed (Canola). The situation is even more evident with phosphorus, where olives require between 20% and 30% less phosphorus than other edible oil crops. As a consequence of the adoption of more sustainable and efficient agricultural practices, and due to the significantly higher yields achieved, it is estimated that Boundary Bend groves produce olive oil using 61% less nitrogen and 83% less phosphorous per tonne of oil than olive industry averages.

- Boundary Bend has a strong record of achievement in managing environmentally sensitive farming areas. The approach to planning and managing agricultural operations at Boundary Bend is prescribed by its Environmental Policy. This policy requires and guides the achievement of ecologically sustainable agricultural production.

- Boundary Bend is focused on minimising any biodiversity loss in our sites. Some examples of key actions and practices include:

    - Mapping and fencing over 1,300 hectares of remnant native vegetation within our properties (11% of the total area owned) to protect its biodiversity values.
    - Undertaking detailed flora and fauna surveys of the properties to identify constraints and opportunities for improvement.
    - The establishment of 40-metre buffer zones between the edge of native vegetation and irrigation areas, 25 metres of which has been revegetated though direct seeding of native flora.
    - Management of remnant native vegetation consistent with the principles of Victoria's Native Vegetation Management Framework, promoting the recovery of native flora and fauna habitats, resulting in a return of the threatened Mallee Fowl.

- In recent years, due to the global intensification of food production, there has been great social and environmental pressure for the efficient re-utilisation of agricultural industry by-products which have traditionally been discarded as waste. Utilisation of by-products in farm animal nutrition, as organic fertilisers and/or as sources of valuable phytochemicals help to reduce the environmental impact of the food industry. Boundary Bend has made the achievement of a *waste zero* operation and the maximisation of the value of all operations one of its fundamental pillars.

During the past 20 years, Boundary Bend and its Oliv.iQ® proprietary integrated olive oil production system have taken appropriate measures to maximise quality and yields, whilst achieving the highest possible level of sustainability across our grove operations. The company intends to continue to innovate across our olive production systems, in order to drive continual improvement in our operational performance alongside the sustainability of our grove operations.

2020 Annual General Meeting

This year we will be holding a virtual AGM through our share registry online platform on Thursday 29 October 2020. Online registration will open at 10.30 am, with the meeting to commence at 11.00 am. A formal notice of the meeting with detailed instructions will be sent to shareholders in early October.

Thank you

I would like to take this opportunity to recognise the commitment and efforts of the Boundary Bend team, particularly in this challenging COVID-19 environment, and to sincerely thank our staff for their great efforts over the past year. Although our harvest result was disappointing, it was not caused by a lack of effort by our staff…in fact, the reverse is true.

In addition, we thank both our shareholders and our loyal customers for their faith in the Company and our products. We look forward to working with our team and connecting with shareholders and customers in the coming year.

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

Kindest regards

Rob McGavin

Executive Chairman
Boundary Bend Limited

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 2020 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
Alan Hilburg (appointed 28 November 2019)
Samuel Beaton

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

Company secretary

Samuel Beaton

Results

The loss of the consolidated entity for the year after providing for income tax amounted to $32.7m (2019: $8.8 million profit). For detailed comments in relation to the result of the consolidated entity during the financial year, please refer to the Executive Chairman's report.

Review of operations

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

Significant changes in state of affairs

There are no significant changes in the state of affairs of the consolidated entity.

Principal activities

The principal activities of the consolidated entity during the year were the production and marketing of olive oil and olive related products 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

There are no significant likely developments. For more information 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

No dividends were declared or paid during the year ended 30 June 2020. During the 30 June 2019 financial year, a dividend was paid to shareholders totalling $7,308,927 and 154,350 shares were issued under the Dividend Reinvestment plan.

Information on directors

Robert McGavin	Age 51
Experience	Rob is a co founder of the BBL Group and has extensive experience in the agribusiness sector. He is directly involved in 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 48
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. From August 2018, Paul has moved to the USA to act as resident Director.
Special responsibilities	Paul is an Executive Director of Boundary Bend Ltd.
Leandro Ravetti	Age 47
Experience	Leandro joined the BBL Group from Argentina where he had been working with many of the largest olive grove developments. Leandro is acknowledged as one of the 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 and USA Operations.
Special responsibilities	Leandro is the Technical Director of Boundary Bend Ltd.
Tim Jonas	Age 74
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.

Information on directors (continued)

Craig Ball	Age 64
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 63
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 46
Experience	Tim joined the BBL Group early in 2004 to head up the consolidated entity's sales and marketing activities. In early 2016 Tim transitioned to lead the 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.
Matthew Bailey	Age 45
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).

Information on directors (continued)

Alan Hilburg	Age 72
Experience	Alan is President/CEO of HilburgAssociates, a global consulting firm established 34 years ago. He regularly serves as a senior advisor to many Fortune 500 brands and leadership teams. His expertise is in establishing and managing brand trust. He has authored two NY Times best sellers on leadership and is currently writing a book with a world leading entrepreneur. Additionally, Alan led the teams that developed three of the top ten brand campaigns of the 20th century. He was an Executive Producer for the second IMAX film, Johnson Wax's Living Planet, and co-created the American Business Hall of Fame with Fortune Magazine.

Samuel Beaton	Age 44
Experience	Sam joined the Company in 2009. Sam has over 20 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	8	-	-	-	-
Leandro Ravetti	8	8	-	-	-	-
Tim Jonas	8	8	4	4	-	-
Craig Ball	8	8	4	4	-	-
Jonathan West	8	8	-	-	-	-
Timothy Smith	8	8	-	-	-	-
Matthew Bailey	8	8	-	-	-	-
Alan Hilburg	5	5	-	-	-	-
Samuel Beaton	8	8	-	-	-	-

Options

71,667 options over unissued ordinary shares in the consolidated entity were granted during the financial year ended 30 June 2020 (2019: 376,922).

During the year 400,000 options were exercised. Since year end no options have been granted. The consolidated entity has 3,950,789 options on issue as at 30 June 2020.

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 2020.

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:

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
Mr A. Hilburg

Remuneration policy

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

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

Remuneration Committee

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

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

Executive Directors and Key Management Personnel

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

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

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

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 non-executive 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 non-executive 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.

Remuneration report (Continued)

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 2020 $'000	30 June 2019 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2016 $'000
Revenue	131,765	151,740	113,128	139,549	114,686
Net (loss) / profit before tax	(40,230)	16,648	(13,132)	20,968	(385)
Net (loss) / profit after tax	(32,700)	8,759	(13,276)	12,834	(819)
Net Assets	146,090	179,765	161,049	154,227	141,210

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Shares on issue (at end of year)	61,462,099	61,062,099	60,583,729	57,142,125	54,915,042
Net assets per Share ($)	2.38	2.94	2.66	2.70	2.57
Dividends per Share	Nil	12 cents (Unfranked)	12 cents (Unfranked)	10 cents (Unfranked)	10 cents (Unfranked)

The company is an unlisted public company but has limited share liquidity. The company has also elected to hold certain assets at cost less accumulated depreciation, rather than fair value. As such, it is not meaningful to consider share price or market capitalisation data.

Remuneration report (Continued)

Remuneration of Directors and senior management

2020	Short-term employee benefits			Post-employment benefits	Share-based Payments	
	Salary & Fees $	Bonus $	Non-monetary $	Super-annuation $	Options & rights $	Total $
Mr T. A. Jonas	60,000	-	-	-	-	60,000
Mr C.P. Ball	60,000	-	-	-	-	60,000
Prof. J. West	-	-	-	-	60,000	60,000
Mr R.D. McGavin	309,935	-	-	21,003	-	330,938
Mr P.C. Riordan	391,472	-	-	1,352	-	392,824
Mr L.M. Ravetti	425,000	-	-	19,411	58,658	503,069
Mr T.F. Smith	330,000	-	-	21,003	18,331	369,334
Mr M.R. Bailey	60,000	-	-	-	-	60,000
Mr S. J. Beaton	425,000	-	-	19,411	36,661	481,072
Mr. A. Hilburg	35,974	-	-	-	-	35,974
	2,097,381	**-**	**-**	**82,180**	**173,650**	**2,353,211**

2019	Short-term employee benefits			Post-employment benefits	Share-based Payments	
	Salary & Fees $	Bonus $	Non-monetary $	Super-annuation $	Options & rights $	Total $
Mr T. A. Jonas	60,000	-	-	-	-	60,000
Mr C.P. Ball	-	-	-	-	60,000	60,000
Prof. J. West	-	-	-	-	60,000	60,000
Mr R.D. McGavin	309,935	-	-	20,531	-	330,466
Mr P.C. Riordan	380,561	-	-	5,133	-	385,694
Mr L.M. Ravetti	425,000	* 200,000	-	22,123	58,497	705,620
Mr T.F. Smith	318,692	* 50,000	-	20,531	18,280	407,503
Mr M.R. Bailey	60,000	-	-	-	-	60,000
Mr S. J. Beaton	425,000	* 100,000	-	22,123	36,561	583,684
Mr. A. Hilburg	-	-	-	-	-	-
	1,979,188	**350,000**	**-**	**90,441**	**233,338**	**2,652,967**

* Bonuses were paid in recognition of the performance of the consolidated entity for the year ending 30 June 2018, which the board did not resolve to pay until after 30 June 2018. As such, these bonuses are recognised in the year ending 30 June 2019.

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 her consideration for agreeing to hold the position.

Shareholdings of Directors and executives

	Balance at beginning of year No.	Granted as compensation No.	Received upon exercise of options No.	Net other change No.	Balance as end of year No.
2020					
Mr T. A. Jonas	943,498	-	-	-	943,498
Mr C.P. Ball	627,533	-	-	-	627,533
Prof. J. West	912,000	-	-	-	912,000
Mr R.D. McGavin	12,007,396	-	-	-	12,007,396
Mr P.C. Riordan	3,109,118	-	-	-	3,109,118
Mr L.M. Ravetti	124,764	-	-	-	124,764
Mr T.F. Smith	204,175	-	-	-	204,175
Mr M.R. Bailey	337,583	-	-	-	337,583
Mr S. J. Beaton	420,675	-	-	-	420,675
2019					
Mr T. A. Jonas	943,498	-	-	-	943,498
Mr C.P. Ball	618,797	-	-	8,736	627,533
Prof. J. West	750,000	-	162,000	-	912,000
Mr R.D. McGavin	12,007,396	-	-	-	12,007,396
Mr P.C. Riordan	3,109,118	-	-	-	3,109,118
Mr L.M. Ravetti	204,764	-	-	(80,000)	124,764
Mr T.F. Smith	270,969	-	-	(66,794)	204,175
Mr M.R. Bailey	175,583	-	162,000	-	337,583
Mr S. J. Beaton	420,039	-	-	636	420,675

Loans to Directors and executives

There were no new loans to Directors and executives during the year ended 30 June 2020.

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 71,667 options (2019: 376,922) to directors and senior management of the consolidated entity, as part of their remuneration.

400,000 options were exercised in the financial year ended 30 June 2020 (2019: 324,000).

805,000 options lapsed during the year ended 30 June 2020 (2019: 50,000).

Remuneration report (Continued)

Employee share option plan

Grant date	Vesting Date	Expiry date	Exerc-ise price	Fair value at grant date	Balance at beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Exercis-able at end of the year
2020										
01-May-14**	****	01-May-20	$2.50	$2.40	300,000	-	-	(300,000)	-	-
10-Nov-14	10-Nov-21	10-Nov-24	$4.00	$3.30	3,100,000	-	-	-	3,100,000	-
01-Feb-15***	****	31-Mar-20	$3.80	$3.25	400,000	-	(400,000)	-	-	-
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)	-	-
01-Dec-16	02-Dec-16	01-Dec-19	$7.50	$7.00	75,000	-	-	(75,000)	-	-
27-Apr-17	01-Jul-24	01-Aug-24	$9.00	$8.00	100,000	-	-	-	100,000	-
01-May-17	****	01-Aug-24	$9.00	$8.00	250,000	-	-	-	250,000	93,000
15-Dec-17	16-Dec-17	15-Dec-20	$8.00	$8.00	82,200	-	-	-	82,200	82,200
19-Sep-18	19-Aug-23	19-Sep-23	$9.00	$8.50	190,000	-	-	(30,000)	160,000	-
15-Dec-18	16-Dec-18	15-Dec-21	$8.50	$8.50	76,922	-	-	-	76,922	76,922
22-Mar-19	16-Feb-26	22-Mar-26	$9.00	$8.50	110,000	-	-	-	110,000	-
06-Dec-19	06-Dec-22	06-Jan-23	$9.00	$8.50	-	15,000	-	-	15,000	-
06-Dec-19	06-Dec-24	16-Jan-25	$9.00	$8.50	-	15,000	-	-	15,000	-
15-Dec-19	16-Dec-19	15-Dec-22	$8.50	$8.50	-	41,667	-	-	41,667	41,667
					5,084,122	71,667	(400,000)	(805,000)	3,950,789	293,789
Weighted average exercise price:					$4.72	$8.71	$3.80	$3.97	$5.04	$8.52
2019										
01-May-14**	****	01-May-20	$2.50	$2.40	300,000	-	-	-	300,000	250,000
10-Nov-14	10-Nov-21	10-Nov-24	$4.00	$3.30	3,100,000	-	-	-	3,100,000	-
01-Feb-15***	****	31-Mar-20	$3.80	$3.25	400,000	-	-	-	400,000	350,000
23-Oct-15	24-Oct-15	24-Oct-18	$3.80	$3.25	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	01-Jul-22	01-Aug-22	$9.00	$8.00	50,000	-	-	(50,000)	-	-
27-Apr-17	01-Jul-24	01-Aug-24	$9.00	$8.00	100,000	-	-	-	100,000	-
01-May-17	****	01-Aug-24	$9.00	$8.00	250,000	-	-	-	250,000	53,750
15-Dec-17	16-Dec-17	15-Dec-20	$8.00	$8.00	82,200	-	-	-	82,200	82,200
19-Sep-18	19-Aug-23	19-Sep-23	$9.00	$8.50	-	190,000	-	-	190,000	-
15-Dec-18	16-Dec-18	15-Dec-21	$8.50	$8.50	-	76,922	-	-	76,922	76,922
22-Mar-19	16-Feb-26	22-Mar-26	$9.00	$8.50	-	110,000	-	-	110,000	-
					5,081,200	376,922	(324,000)	(50,000)	5,084,122	887,872
Weighted average exercise price:					$4.39	$8.90	$3.80	$9.00	$4.72	$4.86

** 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 33.

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.

Rounding off of amounts

The consolidated entity is a company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors, made pursuant to Section 288 (2) of the Corporations Act 2001.

On behalf of the Directors

Director: ______________________

Robert McGavin

Tim Jonas

Director: ______________________

Tim Jonas

Dated this 24 September 2020

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

24 September 2020

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 2020, 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

Rachel Smith
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Revenue			
Sales revenue	5	140,652	112,281
Other revenue	5	2,163	3,783
Net change in fair value of agricultural produce	5	(11,050)	35,676
		131,765	151,740
Expenses			
Cost of sales	6	(125,718)	(97,057)
Administration expenses		(17,059)	(14,389)
Distribution expenses		(6,528)	(4,107)
Marketing expenses		(14,385)	(12,227)
Occupancy expenses		(2,370)	(1,905)
Finance costs	6	(5,360)	(4,552)
Other expenses		(575)	(855)
		(171,995)	(135,092)
(Loss)/profit before income tax		(40,230)	16,648
Income tax (expense)/benefit	7	7,530	(7,889)
(Loss)/profit from continuing operations		(32,700)	8,759
(Loss)/profit for the year		**(32,700)**	**8,759**
(Loss)/profit is attributable to:			
Owners of Boundary Bend Limited and controlled entities		(32,700)	8,759
		(32,700)	8,759

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $'000	2019 $'000
(Loss)/profit for the year	(32,700)	8,759
Other comprehensive (loss)/income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(447)	(699)
Changes in fair value of cash flow hedges	(2,512)	(3,151)
Changes in deferred tax recognised in equity	754	(6,283)
Items that may not be reclassified to profit or loss		
Revaluation of land and buildings	-	24,367
Other comprehensive (loss)/income for the year	(2,205)	14,234
Total comprehensive (loss)/income for the year	**(34,905)**	**22,993**
Total comprehensive (loss)/income for the year is attributable to:		
Owners of Boundary Bend Limited and controlled entities	(34,905)	22,993
	(34,905)	22,993

The accompanying notes form part of these financial statements.

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	8	3,767	2,658
Trade and other receivables	9	14,565	17,542
Inventory	10	62,823	86,691
Biological assets	13	1,621	6,419
Other assets	12	3,226	2,482
Total current assets		86,002	115,792
Non-current assets			
Trade and other receivables	9	218	96
Other financial assets	11	9	34
Intangible assets	14	6,678	6,678
Property, plant and equipment	15	292,188	279,949
Right-of-use assets	16	5,489	-
Total non-current assets		304,582	286,757
Total assets		390,584	402,549
Current liabilities			
Trade and other payables	17	25,017	26,154
Lease liabilities	18	208	-
Borrowings	19	4,907	11,129
Provisions	20	1,784	1,635
Current tax liabilities	7(c)	6	5
Other financial liabilities	21	973	518
Other liabilities	22	5,913	8,312
Total current liabilities		38,808	47,753
Non-current liabilities			
Lease liabilities	18	5,358	-
Borrowings	19	158,760	126,922
Provisions	20	117	108
Deferred tax liabilities	7(d)	33,282	41,573
Other financial liabilities	21	6,143	4,084
Other liabilities	22	2,026	2,344
Total non-current liabilities		205,686	175,031
Total liabilities		244,494	222,784
Net assets		**146,090**	**179,765**
Equity			
Share capital	23	114,211	112,504
Reserves	24	10,252	12,734
Retained earnings	25	21,627	54,527
Total equity		**146,090**	**179,765**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Contributed equity $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Share based payments reserve $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total Equity $'000
Balance at 30 June 2018	109,850	-	(2,404)	1,542	(1,016)	53,077	161,049
Loss for the year	-	-	-	-	-	8,759	8,759
Other comprehensive loss for the year	2	17,137	-	-	(2,206)	-	14,933
Exchange differences arising on translation of foreign operations	-	-	(699)	-	-	-	(699)
Total comprehensive income for the period	**2**	**17,137**	**(699)**	**-**	**(2,206)**	**8,759**	**22,993**
Transactions with owners in their capacity as owners:							-
Proceeds from share issue / options exercised	1,223	-	-	-	-	-	1,223
Issue of shares under dividend reinvestment plan	1,312	-	-	-	-	-	1,312
Dividends provided for or paid	-	-	-	-	-	(7,309)	(7,309)
Options exercised (transfer from reserve)	117	-	-	(117)	-	-	-
Share based payments expense	-	-	-	497	-	-	497
Total transactions with owners in their capacity as owners	2,652	-	-	380	-	(7,309)	(4,277)
Balance at 30 June 2019	**112,504**	**17,137**	**(3,103)**	**1,922**	**(3,222)**	**54,527**	**179,765**
Profit for the year	-	-	-	-	-	(32,700)	(32,700)
Other comprehensive profit/(loss) for the year	-	-	-	-	(1,758)	-	(1,758)
Exchange differences arising on translation of foreign operations	-	-	(445)	(2)	-	-	(447)
Total comprehensive loss for the year	**-**	**-**	**(445)**	**(2)**	**(1,758)**	**(32,700)**	**(34,905)**
Transactions with owners in their capacity as owners:							
Proceeds from share issue / options exercised	1,520	-	-	-	-	-	1,520
Issue of shares under dividend reinvestment plan	-	-	-	-	-	-	-
Dividends provided for or paid	-	-	-	-	-	-	-
Options exercised (transfer from reserve)	187	-	-	(187)	-		-
Expired/cancelled options (transfer from reserve)				(488)		(200)	(688)
Share based payments expense	-	-	-	398	-	-	398
Total transactions with owners in their capacity as owners	1,707	-	-	(277)	-	(200)	1,230
Balance at 30 June 2020	**114,211**	**17,137**	**(3,548)**	**1,643**	**(4,980)**	**21,627**	**146,090**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from customers		133,579	115,803
Payments to suppliers and employees		(120,546)	(110,803)
Interest received		-	1
Borrowing costs		(5,988)	(4,875)
Interest paid for leases		(49)	-
Income tax payments		(6)	(5)
Net cash provided by operating activities	27 (b)	6,990	121
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		738	290
Payments for property, plant and equipment		(24,982)	(31,420)
Net cash used in investing activities		(24,244)	(31,130)
Cash flows from financing activities			
Proceeds from share issue		1,520	1,231
Net proceeds / (repayment) of borrowings		17,114	37,399
Net payment for leases		(271)	-
Dividends paid to shareholders		-	(5,997)
Net cash provided by financing activities		18,363	32,633
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		2,658	1,034
Net increase in cash and cash equivalents		1,109	1,624
Cash and cash equivalents at the end of the year	27 (a)	3,767	2,658

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 24 September 2020.

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 which 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.

(g) Leases

AASB 16 Leases replaces AASB 117 Leases and other related interpretations. The new lease standard was adopted from the annual reporting period commencing 1 July 2019.

The Consolidated Entity as lessee
The consolidated entity assesses whether a contract is or contains a lease, at inception of the contract. The consolidated entity recognises a right-of-use asset and a corresponding lease liability is recognised, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the consolidated entity recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the consolidated entity uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
• Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

The Consolidated Entity as lessee (continued)
The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The consolidated entity remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used) .
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The consolidated entity did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the consolidated entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The consolidated entity applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

The Consolidated Entity as lessor
The consolidated entity enters into lease agreements as a lessor with respect to some of its properties. Leases for which the consolidated entity is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the consolidated entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the consolidated entity's net investment outstanding in respect of the leases.

(h) Revenue

Revenue is measured on the consideration to which the consolidated entity expects to be entitled in a contract with a customer. The consolidated entity recognises revenue when it transfers control of a product of service to a customer.

Revenue from the sales of goods is recognised when control of the goods has transferred, being at the point in time when the goods are delivered to the customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the consolidated entity when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional. Revenue is measured at gross price less any rebates or in-store promotional spend.

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

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

Rent revenue is recognised on a straight line basis over the rental term.

Government grants are not recognised until there is reasonable assurance the consolidated entity will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred are recognised in profit or loss in the period in which they become receivable. Government grants relating to the acquisition of property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Olive oil inventories include agricultural produce that the consolidated entity has harvested from its biological assets. 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.

(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.

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.

Bearer plants
Bearer plants comprising of mature and immature olive trees in the olive groves are measured on the cost basis. Costs associated with young trees will be capitalised in the year of planting and the following four years.
Processing and harvesting costs are not capitalised when any of these immature trees are harvested. However, if the fair value of the any olive oil harvested and processed is greater than the harvest and processing costs, then this is deducted from the captalised costs in that year.

The carrying amount of bearer plants is reviewed annually 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (continued)

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
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; Boundary Bend Wellness, 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 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. 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 31(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 33.

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

Financial assets and financial liabilities are recognised in the consolidated entity's statement of financial position when the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

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

Impairment of financial assets
The consolidated entity makes use of a simplified approach for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. The consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the consolidated entity, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured at amortised cost
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade payables
Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

Derecognition of financial liabilities
The consolidated entity derecognises financial liabilities when, and only when, the consolidated entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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

At the inception of each hedging transaction, the consolidated entity documents the relationship between the hedging instruments and hedged items, its risk management objective and its strategy for undertaking the hedge transaction. The consolidated entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair value or cash flows of hedged items.

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

(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 rate or interest rate fluctuations that would have transpired in the absence of the hedge.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 olives trees, or the trees are to be used for planting on the consolidated entities owned groves, 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.

Olive trees in the olive groves are measured at cost in accordance with AASB 116 "Property, plant and equipment", refer to Note 1(j).

(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 of 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 (2019: $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 consolidated entity.

Standard/Interpretation	Expected to be initially applied in the financial year ending
AASB 2018-6 'Amendments to Australian Accounting Standards - Definition of a Business'	30 June 2021
AASB 2018-7 'Amendments to Australian Accounting Standards – Definition of Material'	30 June 2021
AASB 2019-1 'Amendments to Australian Accounting Standards – References to the Conceptual Framework'	30 June 2021
AASB 2019-5 'Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia'	30 June 2021

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

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

(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 an accounting period that begins on or after 1 July 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year are as follows:

AASB 16 - Leases

In accordance with the transition provisions in AASB 16 the consolidated entity has adopted the modified retrospective approach for leases. Comparatives for the 2019 financial year have not been restated.

On adoption of AASB 16, the consolidated entity recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 July 2019. The average lessee’s incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 3.48%.

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as 30 June 2019. There was no impact to retained earnings on 1 July 2019.

Applying AASB 16, for all leases, the consolidated entity:

• Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
• Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
• Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Please refer to Note 16 Right of use assets which summarises the financial impact of adopting this Standard.

AASB Interpretation 23 - Uncertainty over Income Tax Treatments

The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires an entity to:
• determine whether uncertain tax positions are assessed separately or as a Company; and
• assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to
  - if probable, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - if not probable, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The consolidated entity has no uncertain tax positions as per this interpretation and expects no impact to taxable amounts in future periods.

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.

The consolidated entity has the following business segments:
- Australia - production and marketing of olive oil
- United States of America (USA) - production and marketing of olive oil
- Innovation and value-add products, including the sale of the Wellgrove branded olive leaf extract branded product.

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

	Olive oil				Innovation & Value-add		Eliminations & Corporate		Total Operations	
	Australian Operations		USA Operations							
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue										
Total revenue from external customers	108,560	86,499	29,941	24,477	2,151	1,305	-	-	140,652	112,281
Intersegment revenue	6,542	1,721	-	-	395	253	(6,937)	(1,974)	-	-
Total segment revenue	**115,102**	**88,220**	**29,941**	**24,477**	**2,546**	**1,558**	**(6,937)**	**(1,974)**	**140,652**	**112,281**
Other revenue	1,661	3,084	391	595	111	104	-	-	2,163	3,783
Net change in fair value of agricultural produce	(11,050)	35,676	-	-	-	-	-	-	(11,050)	35,676
Total revenue	**105,713**	**126,980**	**30,332**	**25,072**	**2,657**	**1,662**	**(6,937)**	**(1,974)**	**131,765**	**151,740**
EBITDA	**(2,947)**	**42,723**	**(8,100)**	**(4,430)**	**(8,619)**	**(4,887)**	-	**(157)**	**(19,666)**	**33,249**
Depreciation/amortisation of segment assets	(12,856)	(10,580)	(2,188)	(1,436)	(160)	(33)	-	-	(15,204)	(12,049)
EBIT	**(15,803)**	**32,143**	**(10,288)**	**(5,866)**	**(8,779)**	**(4,920)**	**-**	**(157)**	**(34,870)**	**21,200**
Finance costs	-	-	-	-	-	-	(5,360)	(4,552)	(5,360)	(4,552)
Profit / (loss) before income tax	**(15,803)**	**32,143**	**(10,288)**	**(5,866)**	**(8,779)**	**(4,920)**	**(5,360)**	**(4,709)**	**(40,230)**	**16,648**
Segment assets (excl intercompany)	315,997	341,209	70,367	57,446	4,234	3,892	(13)	2	390,585	402,549
Segment liabilities (excl intercompany)	22,958	34,274	20,018	13,280	1,444	2,132	200,074	173,098	244,494	222,784
Capital expenditure	21,899	28,833	10,798	16,024	192	2,360	-	-	32,889	47,217

NOTE 4: SEGMENT REPORTING (CONTINUED)

The accounting policies of the reportable segments are the same as the accounting policies described in Note 1. Segment profit/(loss) represents the profit before tax earned by each segment without allocation investment income and finance costs. Finance costs are shown in the 'Eliminations and Corporate' column.

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 $108.560 million (2019: $86.499 million) are revenues from major customers of approximately:

	2020 $'000	2019 $'000
- Customer A	46,312	35,852
- Customer B	25,534	20,484

No other single customer contributed 10% or more to the consolidated entity's revenue for 2020 and 2019.

	2020 $'000	2019 $'000
NOTE 5: REVENUE		
Sale of goods	140,652	112,281
Other revenue:		
Management/service fees	329	272
Rental income	368	518
Interest income	-	1
Freight income	266	-
Other income	346	726
Unrealised foreign currency gains	779	2,095
Subsidies and grants	75	171
	2,163	3,783
Fair value adjustments:		
Net (decrease) / increase in fair value of agricultural produce	(11,050)	35,676
	131,765	151,740

NOTE 6: OPERATING PROFIT

	2020 $'000	2019 $'000
Profit/(loss) before income tax has been determined after:		
Cost of sales	125,718	97,057
Finance costs:		
Interest expense	3,397	3,036
Borrowing costs	1,706	1,330
Hire purchase charges	208	186
Lease charges	49	-
	5,360	4,552
Depreciation & Amortisation:		
Buildings	1,032	602
Plant and equipment	6,424	4,623
Irrigation Assets	982	926
Bearer Plants	5,500	5,284
Motor vehicles	684	435
Office furniture and equipment	199	158
Furniture and fittings	49	21
Leases	334	-
	15,204	12,049
Bad debts - trade debtors	175	176
Employee benefits:		
Share based payments	396	499
Defined contribution superannuation expense	1,634	1,050
Other employee benefits	21,439	16,938
	23,469	18,487
Loss on sale of property plant and equipment	69	106

NOTE 6: OPERATING PROFIT (CONTINUED)

	2020 $	2019 $
Remuneration of auditors for:		
Auditor's remuneration - audit and review fees	131,400	121,153

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

NOTE 7: INCOME TAX

	2020 $'000	2019 $'000

(a) Components of tax expense

	2020 $'000	2019 $'000
Current tax	6	5
Deferred tax	(7,530)	7,834
(Over) / Under provision in prior years	(6)	50
	(7,530)	7,889

(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:

	2020 $'000	2019 $'000
Prima facie income tax (benefit) / expense before income tax at 30% (2019: 30%)	(12,069)	4,994
Add tax effect of:		
- Other non-allowable items	149	59
- Offshore tax losses not brought to account	4,074	2,727
- Share based payments	119	150
- Under provision in prior years	-	50
- Difference in overseas tax rates	498	197
	4,840	3,183
Less tax effect of:		
- Research and development deductions	(295)	(288)
- Over provision in prior years	(6)	-
	(301)	(288)
Income tax (credits)/expense attributable to profit / (loss)	(7,530)	7,889

(c) Current tax

	2020 $'000	2019 $'000
Current tax liabilities		
Opening balance	5	5
Income tax	6	5
Tax payments	(5)	(5)
Current tax liabilities	6	5

NOTE 7: INCOME TAX (CONTINUED)

(d) Deferred tax balances

	Opening balance	Recognised in profit or loss	Recognised directly in equity	Closing balance
	$'000	$'000	$'000	$'000
2019				
Deferred tax asset				
Employee benefits	397	67	-	464
Impairment of goodwill	2,504	-	-	2,504
Capital raising costs	130	(33)	2	99
Doubtful debts	18	(10)	-	8
Cash flow hedge	435	-	945	1,380
Other	844	718	-	1,562
Tax losses brought to account	887	2,446	-	3,333
	5,215	3,188	947	9,350
Deferred tax liability				
The balance comprises:				
Leases	130	(23)	-	107
Inventory	1,224	7,101	-	8,325
Property, plant & equipment	30,900	2,974	7,230	41,104
Unrealised FX gain	367	574	-	941
Biological assets	-	446	-	446
	32,621	11,072	7,230	50,923
Net deferred tax assets / (liabilities)	(27,406)	(7,884)	(6,283)	(41,573)
2020				
Deferred tax asset				
Employee benefits	464	101	-	565
Impairment of goodwill	2,504	-	-	2,504
Capital raising costs	99	(33)	-	66
Doubtful debts	8	21	-	29
Inventory	-	3,463	-	3,463
Cash flow hedge	1,380	-	754	2,134
Other	1,562	163	-	1,725
Tax losses brought to account	3,333	(3,281)	-	52
	9,350	434	754	10,538
Deferred tax liability				
The balance comprises:				
Leases	107	892	-	999
Inventory	8,325	(8,325)	-	-
Property, plant & equipment	41,104	1,042	-	42,146
Unrealised FX gain	941	(266)	-	675
Biological assets	446	(446)	-	-
	50,923	(7,103)	-	43,820
Net deferred tax assets / (liabilities)	(41,573)	7,537	754	(33,282)

NOTE 7: INCOME TAX (CONTINUED)

(e) Deferred tax revenue included in income tax expense

	2020 $'000	2019 $'000
Increase in deferred tax assets	(434)	(3,188)
(Decrease) / increase in deferred tax liabilities	(7,103)	11,072
	(7,537)	7,884

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

	2020 $'000	2019 $'000
(Increase)/decrease in deferred tax assets	(754)	6,283

(g) Deferred tax assets not brought to account

Deferred tax asset not brought to account relating to:

USA Operations:

	2020 $'000	2019 $'000
Other deferred tax assets	1,481	1,155
Tax losses	12,372	8,925
Net deferred tax asset not brought to account	13,853	10,080

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. In 2020, tax liabilities have been recognised and excess tax assets above what is deemed able to be realised have not been brought to account.

	Note	2020 $'000	2019 $'000

NOTE 8: CASH AND CASH EQUIVALENTS

	Note	2020 $'000	2019 $'000
Cash at bank	27	3,767	2,658

NOTE 9: RECEIVABLES

	2020 $'000	2019 $'000
CURRENT		
Trade debtors	14,158	16,373
Loss allowance	(103)	(178)
	14,055	16,195
Other receivables	510	1,347
	14,565	17,542
NON CURRENT		
Other Receivables	218	96

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.

The consolidated entity measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Reconciliation of provision for doubtful debts

	2020 $'000	2019 $'000
Opening balance at 1 July	(178)	(61)
Net remeasurement of loss allowance	(100)	(147)
Amounts written off during the year	175	30
Closing balance at 30 June	(103)	(178)

NOTE 10: INVENTORY

	Note	2020 $'000	2019 $'000
CURRENT			
Value-add products		1,872	1,657
Raw materials at cost		4,434	3,426
Olive oil	1(i)	56,517	81,608
		62,823	86,691

NOTE 11: OTHER FINANCIAL ASSETS

	2020 $'000	2019 $'000
NON CURRENT		
Other financial assets		
Shares in other corporations	70	95
Provision for impairment loss	(61)	(61)
	9	34

	Note	2020 $'000	2019 $'000
NOTE 11: OTHER FINANCIAL ASSETS (CONTINUED)			
Reconciliation:			
Shares in other corporations			
Opening balance at 1 July		95	95
Shares written off		(25)	-
Closing balance at 30 June		70	95
Provision for impairment of shares in other corporations			
Opening balance at 1 July		(61)	(61)
Closing balance at 30 June		(61)	(61)

NOTE 12: OTHER ASSETS

		2020 $'000	2019 $'000
CURRENT			
Prepayments		2,977	2,307
Other current assets		249	175
		3,226	2,482

NOTE 13: BIOLOGICAL ASSETS

	Note	2020 $'000	2019 $'000
CURRENT			
At fair value			
Biological assets for sale - nursery trees	1(p)	1,188	2,343
Biological produce		433	4,076
		1,621	6,419

NOTE 14: INTANGIBLE ASSETS

		2020 $'000	2019 $'000
Water rights at cost		326	326
Trademarks at cost		6,352	6,352
Total intangible assets		6,678	6,678

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

		2020 $'000	2019 $'000
Land & buildings			
Land & buildings at fair value		101,731	101,863
Less accumulated depreciation		(2,320)	(491)
		99,411	101,372
Plant & equipment			
Plant & equipment at cost		88,819	77,762
Less accumulated depreciation		(37,154)	(31,194)
		51,665	46,568
Irrigation assets at cost		32,945	32,037
Less accumulated depreciation		(4,174)	(3,192)
		28,771	28,845

	Note	2020 $'000	2019 $'000
NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
Bearer plants at cost		133,666	119,765
Less accumulated depreciation		(25,506)	(20,006)
		108,160	99,759
Motor vehicles at cost		4,905	3,809
Less accumulated depreciation		(1,548)	(1,038)
		3,357	2,771
Office equipment at cost		1,257	1,121
Less accumulated depreciation		(813)	(612)
		444	509
Furniture, fixtures & fittings at cost		552	247
Less accumulated depreciation		(172)	(122)
		380	125
Total plant and equipment		192,777	178,577
Total property, plant and equipment		292,188	279,949

(a) Reconciliations

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

	2020	2019
Land & buildings		
Opening carrying amount	101,372	62,605
Additions	2,252	13,873
Depreciation expense	(1,032)	(602)
Net foreign currency movements	347	334
Revaluations	-	24,367
Reclassification/transfers between groups	(3,528)	795
Closing carrying amount	99,411	101,372
Plant & equipment		
Opening carrying amount	46,568	36,898
Additions	8,443	14,933
Disposals	(766)	(721)
Depreciation expense	(6,424)	(4,623)
Net foreign currency movements	316	313
Reclassification/transfers between groups	3,528	(232)
Closing carrying amount	51,665	46,568
Irrigation assets		
Opening carrying amount	28,845	26,240
Additions	730	3,496
Depreciation expense	(982)	(926)
Net foreign currency movements	57	35
Reclassification/transfers between groups	121	-
Closing carrying amount	28,771	28,845

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	2020 $'000	2019 $'000
Bearer plants			
Opening carrying amount		99,759	89,972
Additions		13,929	15,593
Depreciation expense		(5,500)	(5,284)
Net foreign currency movements		93	41
Reclassification/transfers between groups		(121)	(563)
Closing carrying amount		108,160	99,759
Motor vehicles			
Opening carrying amount		2,771	1,261
Additions		1,278	1,971
Disposals		(25)	(38)
Depreciation expense		(684)	(435)
Net foreign currency movements		17	12
Closing carrying amount		3,357	2,771
Office equipment			
Opening carrying amount		509	551
Additions		131	114
Disposals		-	(3)
Depreciation expense		(199)	(158)
Net foreign currency movements		3	5
Closing carrying amount		444	509
Furniture, fixtures & fittings			
Opening carrying amount		125	140
Additions		302	-
Depreciation expense		(49)	(21)
Net foreign currency movements		2	6
Closing carrying amount		380	125
Total property, plant and equipment			
Carrying amount at 1 July		279,949	217,667
Additions		27,066	49,980
Disposals		(791)	(762)
Depreciation expense		(14,870)	(12,049)
Net foreign currency movements		834	746
Revaluations		-	24,367
Carrying amount at 30 June		292,188	279,949

NOTE 16: RIGHT-OF-USE ASSETS

	Land & Buildings $'000	Plant $'000	Equipment $'000	Total $'000
Cost				
At 1 July 2019 - Adoption of AASB 16	4,141	89	-	4,230
Additions	1,081	-	97	1,178
At 31 December 2019	5,222	89	97	5,408
Additions	414	-	2	415
At 30 June 2020	5,636	89	99	5,824
Accumulated depreciation				
At 1 July 2019 - Adoption of AASB 16	-	-	-	-
Amortisation	(58)	(22)	(4)	(84)
At 31 December 2019	(58)	(22)	(4)	(84)
Amortisation	(212)	(22)	(16)	(250)
At 30 June 2020	(270)	(44)	(20)	(334)
Carrying amount				
At 31 December 2019				5,324
At 30 June 2020				5,489

The consolidated entity leases several assets including olive groves, land and buildings, plant and IT equipment. The average lease term, including options to extend, on land and buildings is 33 years for US leases and 8 years for Australian leases. Plant & Equipment lease terms range from 2-3 years.

The analysis of lease liabilities is presented in note 18.

The total cash outflow for leases amount to $306,506.

	2020 $'000	2019 $'000
Impact on profit for the year		
Increase in amortisation of right-of-use assets	334	-
Increase in finance costs	49	-
Decrease in rental expenses	(307)	-
Decrease profit for the year	76	-
Impact on assets, liabilities and equity as at 1 July 2019		
Right-of-use assets	4,230	-
Lease liabilities	(4,230)	-
Retained earnings	-	-

	Note	2020 $'000	2019 $'000
NOTE 17: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		18,592	18,050
Other creditors and accruals		6,425	8,104
		25,017	26,154

NOTE 18: LEASE LIABILITIES

		2020 $'000	2019 $'000
Payable			
- not later than one year		401	-
- later than one year and not later than five years		1,810	-
- later than five years		6,986	-
Minimum lease payments		9,197	-
Less future finance charges		(3,631)	-
Total lease liability		5,566	-
Represented by:			
Current liability		208	-
Non-current liability		5,358	-
		5,566	-

NOTE 19: BORROWINGS

	Note	2020 $'000	2019 $'000
CURRENT			
Secured Liabilities			
Hire purchase/chattel mortgage liability	26(a)	4,907	11,129
		4,907	11,129
NON CURRENT			
Secured liabilities			
Bank loans		140,293	118,974
Hire purchase/chattel mortgage liability	26(a)	18,467	7,948
		158,760	126,922
Total Borrowings		163,667	138,052

NOTE 20: PROVISIONS

		2020 $'000	2019 $'000
CURRENT			
Dividends payable		1	1
Employee benefits		1,783	1,634
		1,784	1,635
NON CURRENT			
Employee benefits		117	108
		117	108

	Note	2020 $'000	2019 $'000
NOTE 21: OTHER FINANCIAL LIABILITIES			
CURRENT			
Hedging instruments			
Interest rate swap		973	518
NON-CURRENT			
Hedging instruments			
Interest rate swap		6,143	4,084
NOTE 22: OTHER LIABILITIES			
CURRENT			
Deferred income		1,867	4,328
Other current liabilities		4,046	3,984
		5,913	8,312
NON-CURRENT			
Other non-current liabilities		2,026	2,344
NOTE 23: SHARE CAPITAL			
Issued and paid-up capital			
61,462,099 (2019: 61,062,099) ordinary shares	(a)	114,211	112,504

	2020		2019	
	Shares '000	**$'000**	**Shares '000**	**$'000**
(a) Ordinary shares				
Consolidated				
Opening balance	61,062	112,504	60,584	109,850
1 July 2018	-	-	-	(6)
19 October 2018	-	-	162	674
27 December 2018	-	-	162	674
15 February 2019	-	-	154	1,312
23 March 2020	400	1,707	-	-
	400	1,707	478	2,654
At reporting date	61,462	114,211	61,062	112,504

NOTE 23: SHARE CAPITAL (CONTINUED)

(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 2020, directors, senior employees and consultants held options over 3,950,789 ordinary shares of the consolidated entity (2019: 5,084,122).

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 33.

NOTE 24: RESERVES

	Note	2020 $'000	2019 $'000
Asset revaluation reserve	24(a)	17,137	17,137
Foreign currency translation reserve	24(b)	(3,548)	(3,103)
Share based payments reserve	24(c)	1,643	1,922
Cash flow hedge reserve	24(d)	(4,980)	(3,222)
		10,252	12,734

(a) Asset revaluation reserve

The asset revaluation reserve is used to record revaluations of non current assets.

	2020 $'000	2019 $'000
Movements in reserve		
Opening balance	17,137	-
Fair value adjustments to non-current assets	-	24,367
- Deferred tax charged directly to equity	-	(7,230)
Closing balance	17,137	17,137

(b) Foreign currency translation reserve

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

	2020 $'000	2019 $'000
Movements in reserve		
Opening balance	(3,103)	(2,404)
Exchange difference arising on translation of foreign operations	(445)	(699)
Closing balance	(3,548)	(3,103)

(c) 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 33.

	2020 $'000	2019 $'000
Movements in reserve		
Opening balance	1,922	1,542
Options exercised, transferred to share capital	(187)	(117)
Share based payments expense	398	499
Transfers to retained earnings	200	-
Payment on cancellation of options	(688)	-
Net foreign currency translation adjustment	(2)	(2)
Closing balance	1,643	1,922

(d) 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.

	2020 $'000	2019 $'000
Movements in reserve		
Opening balance	(3,222)	(1,016)
Gain / (loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges		
- Interest rate swap	(2,512)	(3,151)
- Deferred tax charged directly to equity	754	945
Closing balance	(4,980)	(3,222)

	Note	2020 $'000	2019 $'000

NOTE 25: RETAINED EARNINGS

	Note	2020 $'000	2019 $'000
Retained earnings at beginning of year		54,527	53,077
Net (loss)/profit		(32,700)	8,759
Transfers from reserves		(200)	-
Dividends provided for or paid		-	(7,309)
		21,627	54,527

NOTE 26: CAPITAL AND LEASING COMMITMENTS

(a) Hire purchase and Chattel mortgage commitments

	Note	2020 $'000	2019 $'000
Payable			
- not later than one year		4,907	11,586
- later than one year and not later than five years		14,071	7,726
- later than five years		7,680	1,012
Minimum hire purchase payments		26,658	20,324
Less future finance charges		(3,284)	(1,247)
Total hire purchase liability		23,374	19,077
Represented by:			
Current liability	19	4,907	11,129
Non-current liability	19	18,467	7,948
		23,374	19,077

(b) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	Note	2020 $'000	2019 $'000
Payable in AUD			
- not later than one year		-	84
- later than one year and not later than five years		-	123
		-	207
Payable in USD			
- not later than one year		-	144
- later than one year and not later than five years		-	431
- later than five years		-	2,666
		-	3,241

General description of operating leasing arrangements:

Operating leases relate to office space and equipment, warehouse and USA farm land with lease terms of between 2 to 35 years. Adoption of AASB16 since 1 July 2019 has resulted in the reclassification of operating leases. Refer to Note 18 - Lease Liabilities.

NOTE 27: 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	2020 $'000	2019 $'000
Cash at bank	8	3,767	2,658

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

	2020 $'000	2019 $'000
(Loss)/profit from ordinary activities after income tax	(32,700)	8,759
Adjustments for non-cash items		
Depreciation & amortisation	15,204	12,049
Bad debt expense	175	(35)
Stock obsolescence	(6)	4
Loss on sale of assets	69	106
Loss on sale of investments	25	-
Share based payment expense	396	499
Unrealised foreign currency gains	(1,872)	(1,580)
	13,991	11,043
Changes in assets and liabilities		
(Increase) / decrease in receivables	3,354	(1,306)
(Increase) / decrease in prepayments and other assets	(744)	(491)
(Increase) / decrease in inventories	28,675	(34,673)
Increase / (decrease) in payables	1,812	8,671
(Decrease) / increase in deferred taxes	(7,537)	7,885
Increase in provisions	139	232
	25,699	(19,682)
Cash flows provided by operating activities	6,990	121

(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 equipment nor proceeds of borrowings have been recognised in the consolidated statement of cash flows.

NOTE 27: CASH FLOW INFORMATION (CONTINUED)

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

Facility	Currency	Limit $'000	Drawn at 30 Jun 20 $'000	Term
Core Debt	AUD	58,000	58,000	October 2024
Working Capital Debt	AUD	55,000	50,000	October 2024
Working Capital Debt	AUD	20,000	17,000	October 2024*
Domestic Foreign Currency Account Facility	USD	10,500	10,500	October 2024

* On 30 June 2020, Boundary Bend Limited accepted and signed a term sheet with the Commonwealth Bank of Australia (CBA) to extend the $20m tranche out to October 2024, in-line with the rest of the facility. The associated amendment agreement was signed on 13 August 2020.

The limits and terms of the facilities are outlined above. The bank loans are secured by a general security interest over the assets and undertakings of Boundary Bend Limited and its Australian Subsidiaries. CBA also has mortgages over the Australian real properties owned by the consolidated entity's Australian subsidiaries.

The interest cost under the AUD facilities are referenced to the bank bill swap bid rate (BBSY). The interest cost under the USD facility is 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 28: CONTROLLED ENTITIES

	Country of incorporation	Ownership 2020 %	Ownership 2019 %
Parent Entity:			
Boundary Bend Limited	Australia		
Subsidiaries of Boundary Bend Limited:			
Boundary Bend Estate Management Pty Ltd	Australia	100	100
Boundary Bend Estate Pty Ltd	Australia	100	100
Boundary Bend Olives Pty Ltd	Australia	100	100
Boundary Bend Wellness Pty Ltd	Australia	100	100
Boundary Bend IP 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 Olives, Inc.	USA	100	100
Boundary Bend Assets, Inc.	USA	100	100
Boundary Bend, Inc.	USA	100	100
Boundary Bend Wellness, Inc.	USA	100	100

NOTE 28: CONTROLLED ENTITIES (CONTINUED)

	Country of incorporation	Ownership 2020 %	Ownership 2019 %
Subsidiaries of Boundary Bend Limited wound up during the year:			
Boundary Bend Estate (Processors) Pty Ltd	Australia	0	100
Boundary Bend Marketing Pty Ltd	Australia	0	100
Karee Pty Ltd	Australia	0	100
Boundary Bend Estate (No. One) Pty Ltd	Australia	0	100
Boundary Bend Estate (No. Two) Pty Ltd	Australia	0	100
Boundary Bend Estate (No. Three) Pty Ltd	Australia	0	100
Boundary Bend Nominees (No. One) Pty Ltd	Australia	0	100
Boundary Bend Nominees (No. Two) Pty Ltd	Australia	0	100
Boundary Bend Nominees (No. Three) Pty Ltd	Australia	0	100

NOTE 29: RELATED PARTY TRANSACTIONS

(a) Trading transactions

During the year, consolidated entities entered into the following trading transactions with related parties that are not members of the consolidated entity. Please note amounts in this note are in $, not rounded to $'000 like the rest of the report.

	Sales of goods/services		Purchase of goods/services	
	2020	2019	2020	2019
	$	$	$	$
R. McGavin	5,063	3,497	-	-
P & F Riordan	48	-	-	-
P & F Riordan Family Trust	-	-	-	4,903
P & F Riordan Pty Ltd	2,651	862	19,338	13,650
United Retail Group Pty Ltd	-	-	-	-
Riordan Group Pty Ltd	-	-	-	127,552
Riordan Grain Services	532	-	-	-
Riordan Enterprises	-	-	17,941	-
McGavin Investments Pty Ltd	-	-	22,000	27,500
Poligolet Holdings Pty Ltd	11,805	7,379	-	-
Jubilee Park Vineyards Pty Ltd	7,487	7,216	-	-
	27,586	18,954	59,279	173,605

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

	Amounts owed by related parties		Amounts owed to related parties	
	2020	2019	2020	2019
	$	$	$	$
R. McGavin	4,064	1,235	-	-

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.

(b) Other transactions

During the year, consolidated entities entered into the following transactions with related parties that are not members of the consolidated entity. Please note amounts in this note are in $, not rounded to $'000 like the rest of the report.

	Other Transactions		
	2020	2019	
	$	$	
P & F Riordan	165,000	-	*

* The above transaction was a purchase of property at Boundary Bend, supported by an external valuation.

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Loans to key management personnel

There were no loans to key management personnel of the consolidated group or their related entities in 2020. (2019: Nil)

(d) Transactions with key management personnel compensation

(i) Key management personnel compensation
Details of key management personnel compensation are disclosed in Note 37 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.
2020					
Mr T. A. Jonas	943,498	-	-	-	943,498
Mr C.P. Ball	627,533	-	-	-	627,533
Prof. J. West	912,000	-	-	-	912,000
Mr R.D. McGavin	12,007,396	-	-	-	12,007,396
Mr P.C. Riordan	3,109,118	-	-	-	3,109,118
Mr L.M. Ravetti	124,764	-	-	-	124,764
Mr T.F. Smith	204,175	-	-	-	204,175
Mr M. Bailey	337,583	-	-	-	337,583
Mr S. J. Beaton	420,675	-	-	-	420,675
2019					
Mr T. A. Jonas	943,498	-	-	-	943,498
Mr C.P. Ball	618,797	-	-	8,736	627,533
Prof. J. West	750,000	-	162,000	-	912,000
Mr R.D. McGavin	12,007,396	-	-	-	12,007,396
Mr P.C. Riordan	3,109,118	-	-	-	3,109,118
Mr L.M. Ravetti	204,764	-	-	(80,000)	124,764
Mr T.F. Smith	270,969	-	-	(66,794)	204,175
Mr M. Bailey	175,583	-	162,000	-	337,583
Mr S. J. Beaton	420,039	-	-	636	420,675

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

(e) 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.
2020					
Mr T. A. Jonas	-	-	-	-	-
Mr C.P. Ball	41,100	-	-	-	41,100
Prof. J. West	154,561	41,667	-	(75,000)	121,228
Mr R.D. McGavin	-	-	-	-	-
Mr P.C. Riordan	-	-	-	-	-
Mr L.M. Ravetti	1,600,000	-	-	-	1,600,000
Mr T.F. Smith	500,000	-	-	-	500,000
Mr M. Bailey	38,461	-	-	-	38,461
Mr S. J. Beaton	1,000,000	-	-	-	1,000,000
2019					
Mr T. A. Jonas	-	-	-	-	-
Mr C.P. Ball	41,100	-	-	-	41,100
Prof. J. West	278,100	38,461	(162,000)	-	154,561
Mr R.D. McGavin	-	-	-	-	-
Mr P.C. Riordan	-	-	-	-	-
Mr L.M. Ravetti	1,600,000	-	-	-	1,600,000
Mr T.F. Smith	500,000	-	-	-	500,000
Mr M. Bailey	162,000	38,461	(162,000)	-	38,461
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.

Further details of the employee share option plan and of share options issued during the 2020 and 2019 financial year are contained in Note 33 to the financial statements.

NOTE 30: 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 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$'000**	**$'000**	**$'000**	**$'000**
Non-financial assets				
Land and building at fair value	-	13,771	85,640	99,411
Financial liabilities				
Hedging instruments	-	7,114	-	7,114

Year ended 30 June 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$'000**	**$'000**	**$'000**	**$'000**
Non-financial assets				
Land and building at fair value	-	14,001	87,371	101,372
Financial liabilities				
Hedging instruments	-	4,602	-	4,602

(b) Transfers between levels

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

NOTE 30: FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Fair value $'000	Valuation technique	Description of valuation technique and inputs used
Land & Buildings	13,771	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 2019 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 2020, being the fair value at the date of revaluation, plus any subsequent capital improvements.
Interest rate swap	7,114	Income approach	The fair value of interest rate swaps is calculated using the present value of the estimated future cash flows based on observable interest rate yield curves.

(d) Reconciliation of recurring level 2 fair value movements

	2020 $'000	2019 $'000
Land and building at fair value		
Opening balance	14,001	11,092
Purchases / additions	62	1,128
Depreciation	(292)	(148)
Revaluation increment	-	1,929
Closing balance	13,771	14,001
Hedging instruments		
Opening balance	4,602	1,451
Total gains and losses recognised in other comprehensive income	2,512	3,151
Closing balance	7,114	4,602

NOTE 30: FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Fair value $'000	Valuation technique	Description of valuation technique and inputs used
Land & Buildings	85,640	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 2019 were performed by CBRE, independent valuers. The valuation was performed using a Net Present Value of the expected income streams, sum of the parts valuation 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 2020, being the fair value at the date of revaluation, plus any subsequent capital improvements.

(f) Reconciliation of recurring level 3 fair value movements

	2020 $'000	2019 $'000
Land and building at fair value		
Opening balance	87,371	51,513
Purchases / additions	2,190	12,967
Depreciation	(740)	(444)
Net foreign currency movements	347	334
Revaluation increment	-	22,438
Reclassication/transfers between groups	(3,528)	563
Closing balance	85,640	87,371

NOTE 31: 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 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 23, 24 and 25 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.

	2020 $'000	2019 $'000
Total External Debt	163,667	138,051
Less: Cash and Cash Equivalents	(3,767)	(2,658)
Net External Debt	159,900	135,392
Total Assets	390,584	402,549
Less: Intangible Assets	(6,678)	(6,678)
Tangible Assets	383,906	395,870
Gearing Ratio	41.65%	34.20%

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) Currency risk
(b) Interest rate risk
(c) Credit risk
(d) Liquidity
(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 trade in stable currencies which are actively traded in local and world markets to reduce the risk of strongly adverse movements in exchange rates.

NOTE 31: 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 external monetary assets denominated in foreign currencies were as follows:

	Assets		Liabilities	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
European Euros	1	-	2,370	4,231
US dollars	4,253	4,409	24,356	20,124

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. Contracts for the sale of olive oil are also entered into in USD when selling to the US market. 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.; Boundary Bend Wellness, 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.

	2020	**2019**
+ / - 10% United States dollars	**$'000**	**$'000**
Impact on profit before tax	2,010	1,571
Impact on equity	1,438	937
+ / - 10% Argentinean pesos		
Impact on profit before tax	-	-
Impact on equity	47	120
+ / - 10% European euros		
Impact on profit before tax	237	423
Impact on equity	-	-

NOTE 31: 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 fixed a portion of the floating rate debt by entering into interest rate swaps.

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:

	2020	**2019**
+ / - 1% interest rate	**$'000**	**$'000**
Impact on profit before tax	803	890

(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, and where appropriate, has trade credit insurance.

NOTE 31: 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 2020	**Weighted average effective interest rate**	**< 6 months**	**6-12 months**	**> 12 months**	**Total**
	%	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets:					
Non interest bearing assets	-	14,565	-	-	14,565
Variable interest rate instruments					
- Cash	0.00	3,767	-	-	3,767
- Amounts receivable from directors and key management personnel	-	-	-	218	218
Financial liabilities:					
Non interest bearing liabilities	-	25,017	-	-	25,017
Variable interest rate instruments					
- Bank loans	2.58	-	-	80,293	80,293
Fixed interest rate instruments					
- Bank loans	3.97	-	-	60,000	60,000
- Lease liability	3.48	111	290	8,796	9,197
- Hire Purchase/Chattel Mortgage liability	4.58	1,683	3,224	18,467	23,374
Year ended 30 June 2019					
Financial assets:					
Non interest bearing assets	-	17,542	-	-	17,542
Variable interest rate instruments					
- Cash	0.02	2,658	-	-	2,658
- Amounts receivable from directors and key management personnel	-	-	-	96	96
Financial liabilities:					
Non interest bearing liabilities	-	26,154	-	-	26,154
Variable interest rate instruments					
- Bank loans	3.26	-	-	88,974	88,974
Fixed interest rate instruments					
- Bank loans	4.93	-	-	30,000	30,000
- Hire Purchase/Chattel Mortgage liability	4.58	3,686	7,443	7,948	19,077

NOTE 31: 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 32: CONSOLIDATED ENTITY DETAILS

The registered office of the consolidated entity is:

151 Broderick Road
LARA VICTORIA 3212

NOTE 33: 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 33: SHARE BASED PAYMENTS (CONTINUED)

Details of the options granted are provided below:

Grant date	Vesting Date	Expiry date	Exerc-ise price	Fair value at grant date	Balance at beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Exercis-able at end of the year
2020										
01-May-14**	****	01-May-20	$2.50	$2.40	300,000	-	-	(300,000)	-	-
10-Nov-14	10-Nov-21	10-Nov-24	$4.00	$3.30	3,100,000	-	-	-	3,100,000	-
01-Feb-15***	****	31-Mar-20	$3.80	$3.25	400,000	-	(400,000)	-	-	-
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)	-	-
01-Dec-16	02-Dec-16	01-Dec-19	$7.50	$7.00	75,000	-	-	(75,000)	-	-
27-Apr-17	01-Jul-24	01-Aug-24	$9.00	$8.00	100,000	-	-	-	100,000	-
01-May-17	****	01-Aug-24	$9.00	$8.00	250,000	-	-	-	250,000	93,000
15-Dec-17	16-Dec-17	15-Dec-20	$8.00	$8.00	82,200	-	-	-	82,200	82,200
19-Sep-18	19-Aug-23	19-Sep-23	$9.00	$8.50	190,000	-	-	(30,000)	160,000	-
15-Dec-18	16-Dec-18	15-Dec-21	$8.50	$8.50	76,922	-	-	-	76,922	76,922
22-Mar-19	16-Feb-26	22-Mar-26	$9.00	$8.50	110,000	-	-	-	110,000	-
06-Dec-19	06-Dec-22	06-Jan-23	$9.00	$8.50	-	15,000	-	-	15,000	-
06-Dec-19	06-Dec-24	16-Jan-25	$9.00	$8.50	-	15,000	-	-	15,000	-
15-Dec-19	16-Dec-19	15-Dec-22	$8.50	$8.50	-	41,667	-	-	41,667	41,667
					5,084,122	71,667	(400,000)	(805,000)	3,950,789	293,789
Weighted average exercise price:					$4.72	$8.71	$3.80	$3.97	$5.04	$8.52
2019										
01-May-14**	****	01-May-20	$2.50	$2.40	300,000	-	-	-	300,000	250,000
10-Nov-14	10-Nov-21	10-Nov-24	$4.00	$3.30	3,100,000	-	-	-	3,100,000	-
01-Feb-15	****	31-Mar-20	$3.80	$3.30	400,000	-	-	-	400,000	350,000
23-Oct-15	24-Oct-15	24-Oct-18	$3.80	$3.30	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	01-Jul-22	01-Aug-22	$9.00	$8.00	50,000	-	-	(50,000)	-	-
27-Apr-17	01-Jul-24	01-Aug-24	$9.00	$8.00	100,000	-	-	-	100,000	-
01-May-17	****	01-Aug-24	$9.00	$8.00	250,000	-	-	-	250,000	53,750
15-Dec-17	16-Dec-17	15-Dec-20	$8.00	$8.00	82,200	-	-	-	82,200	82,200
19-Sep-18	19-Aug-23	19-Sep-23	$9.00	$8.50	-	190,000	-	-	190,000	-
15-Dec-18	16-Dec-18	15-Dec-21	$8.50	$8.50	-	76,922	-	-	76,922	76,922
22-Mar-19	16-Feb-26	22-Mar-26	$9.00	$8.50	-	110,000	-	-	110,000	-
					5,081,200	376,922	(324,000)	(50,000)	5,084,122	887,872
Weighted average exercise price:					$4.39	$8.90	$3.80	$9.00	$4.72	$4.86

** 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 33: SHARE BASED PAYMENTS (CONTINUED)

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

There were 71,667 options granted during the year (2019: 376,922). 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	**06-Dec-19**	**06-Dec-19**	**15-Dec-19**
Number of options issued	15,000	15,000	41,667
Exercise price	$9.00	$9.00	$8.50
Fair value per option	$1.26	$1.62	$1.44
Grant date share price	$8.50	$8.50	$8.50
Expected volatility	27%	27%	27%
Option life	3	5	3
Dividend yield	1.41%	1.41%	1.41%
Risk-free interest rate	0.70%	0.80%	0.74%

(c) Share options exercised during the year

400,000 options granted on 1 February 2015 were exercised on 31 March 2020.

(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 $5.04 (2019: $4.72), and a weighted average remaining contractual life of 1,522 days (2019: 1,571 days).

	2020 $'000	2019 $'000
NOTE 34: DIVIDENDS		
No dividends were declared or paid during the year (2019: $0.12 per share partially franked)	-	7,309
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 35: PARENT ENTITY DETAILS

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

(a) Summarised parent statement of financial position

	2020 $'000	2019 $'000
Assets		
Current assets	118	106
Non-current assets	198,379	170,501
Total assets	198,497	170,607
Liabilities		
Current liabilities	6,411	4,727
Non-current liabilities	140,293	118,974
Total liabilities	146,704	123,701
Net assets	51,793	46,906
Equity		
Share capital	114,211	112,504
Retained earnings	(59,079)	(64,298)
Reserves	-	-
Share based payments reserve	1,642	1,922
Cash flow hedge reserve	(4,981)	(3,222)
Total equity	51,793	46,906

(b) Summarised parent statement of comprehensive income

	2020 $'000	2019 $'000
Profit/(loss) for the year	5,419	2,993
Other comprehensive income for the year	(1,759)	(2,204)
Total comprehensive income for the year	3,660	789

(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 Australian real properties owned by the consolidated entity's Australian subsidiaries. All Australian subsidiaries guarantee the bank loans.

(d) Parent entity contingent liabilities

There are no contingent liabilities as at 30 June 2020.

(e) Parent entity contractual commitments

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

NOTE 36: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2020.

NOTE 37: 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)
A. Hilburg (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:

	2020 $	2019 $
Compensation received by key management personnel of the consolidated entity:		
- short-term employee benefits	2,097,381	2,329,188
- post-employment benefits	82,180	90,441
- share based payments	173,650	233,338
	2,353,211	2,652,967

NOTE 38: SUBSEQUENT 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.

NOTE 39: COMMITMENTS FOR EXPENDITURE

At 30 June 2020 there were the following commitments for capital expenditure:

- Plant & Equipment	$2.2 million
- Bearer Plants	$1.3 million
- Irrigation	$1.0 million
- Motor Vehicles	$0.4 million
	$4.9 million

DIRECTORS' DECLARATION

The directors of the consolidated entity declare that:

1. The financial statements and notes, as set out on pages 39 - 86, 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 2020 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

Tim Jonas

Director: ______________________

Tim Jonas

Dated this 24 September 2020

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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 2020, the consolidated statement of profit or loss, consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the 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 directors' declaration.

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 and Group's financial position as at 30 June 2020 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 the directors of the Company**,** would be in the same terms if given to the 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

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, 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.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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 the directors.

- Conclude on the appropriateness of the 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.

Deloitte.

We communicate with the 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 31 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Boundary Bend Limited, for the year ended 30 June 2020, 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
Rachel Smith
Partner
Chartered Accountants
Melbourne, 24 September 2020