

AUSTRALIAN OLIVES PROJECT NO. 6
A.R.S.N. 107 866 259

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

AUSTRALIAN OLIVES PROJECT NO. 6
A.R.S.N. 107 866 259

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AUSTRALIAN OLIVES PROJECT NO. 6
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DIRECTORS' REPORT

The directors of the Responsible Entity submit herewith the financial report of Australian Olives Project No. 6 for the year ended 30 June 2008 and report as follows:

1. Responsible Entity

At a meeting of Members held on 18 March 2008 the Members voted to change the responsible entity from Australian Olives Ltd A.C.N. 078 885 042 to Huntley Management Limited ACN 089 240 513.

2. Directors of the Responsible Entity

The following persons were directors of the Responsible Entity during the whole of the financial year and up to the date of this report:

Huntley Management Limited

John H Knox

Stephen L Law

Francis G Swain

David G Millhouse (appointed 4 December 2007)

John P Deloughery (resigned 28 November 2007)

Australian Olives Limited

Anthony Johnston

Blake Ammit

Patrick Handbury

(No directors were partners in or directors of the audit firm at anytime during the year)

3. Principal Activities

The principal activity of the Project during the financial year has been the growing, harvesting and marketing of olives for commercial gain. There has been no change in the nature of this activity during the financial year.

4. Operating Results

The net loss from ordinary activities of the Project after the provision for income tax for the financial year was \$16 (2007: profit \$3,159).

5. Distributions

Distributions totalling \$3,081 were declared in relation to the 2007 harvest with an amount of \$3,081 paid during the year ended 30 June 2008. To date no distribution has been declared or paid in respect of the 2008 harvest.

6. Review of Operations

The operation of the Project during the financial year was to continue to grow, harvest and market the olives produced on the olive groves at the Yallamundi plantation. During the financial year, the Project yielded a harvest of 65 tonnes of olives from which 11,739 litres of oil was extracted.

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The Project is a registered managed investment scheme domiciled in Australia, registered and regulated in accordance with Chapter 5C of the *Corporations Act 2001* and the Project's Constitution.

The Project commenced in 2004 and will terminate in June 2023. During the term of the Project each Member has the right to use and occupy a Grove upon which olive trees (53 per Grove) are grown.

Members are bound by the Project Constitution and the Grove Agreement and Grove Licence Agreement.

Huntley Management Limited (HML) is the responsible entity for the Project being appointed at a meeting of Members held on 18 March 2008 to replace Australian Olives Limited. HML appointed Huntley Custodians Limited A.C.N. 082 237 241 as the custodian of Project property.

HML acted to appoint Australian Green and Gold Limited as operational manager of the Project. Australian Green & Gold Ltd provided a comprehensive agricultural report on the Project which has raised a number of agricultural issues of concern. The full Australian Olive Groves Project 6 Agricultural Report prepared by Australian Green & Gold Ltd is available to Members on the Huntley Group website www.huntleygroup.com.au.

A decision was made to proceed with the 2008 harvest despite costs being expected to exceed revenue because the failure to proceed with the harvest would have negatively impacted on the 2009 harvest. The 2008 harvest yielded 65 t of olives from which 11,739 litres of olive oil were extracted. The value of the olive oil at a conservative market value of \$3.50 is \$41,087 (\$45/Grove).

In accordance with Clause 7.1 of the Grove Agreement the Responsible Entity is entitled to be paid a fee for harvesting and arranging the harvesting of the Member's olives. The harvesting fee will be equal to the amount which the Responsible Entity actually expends in carrying out its duties to have the harvesting undertaken. The cost to harvest the olives was \$54,752 (\$60/ Grove). The Responsible Entity is also entitled to recover costs and expenses relating to the processing of the olives harvested in accordance with Clause 6.6 of the Grove Agreement and Clause 7.2 of the Constitution. The cost to process the oil was \$19,278 (\$21/Grove).

The financial statements reflect the harvest fee which is expected to be recovered from the sale of the stock of olive oil. The balance of the harvest fee will be payable by the Member upon presentation of an invoice by the Responsible Entity from the Member's own funds.

In order to fund the harvesting expenses HML borrowed \$42,560 which was secured against the olives and proceeds from the sale of the olives. HML discharged the borrowings prior to balance date from management fees received by HML from Members. The Grove Agreement permits the encumbrance of the olives and the proceeds from the sale of the olives for this purpose.

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Product Disclosure Statement states that a yield of 3 to 5 tonnes per hectare could be expected from olive trees that are 4 years old, well managed and fully irrigated. The harvest yield was adversely affected by the large number of dead and unviable trees in the Project Groves. Please refer to the Australian Olive Groves Project 6 Agricultural Report prepared by Australian Green & Gold Ltd on the Huntley Group website www.huntleygroup.com.au.

The Project did not have any employees during the year.

7. **Significant Changes in State of Affairs**

Except for the 2008 harvest return, there has been no significant change in the state of affairs of the Project during the financial year other than the matters contained in the Australian Olive Groves Project 6 Agricultural Report prepared by Australian Green & Gold Ltd on the Huntley Group website www.huntleygroup.com.au.

8. **After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect:

- (i) the operations of the Project;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Project

in the years subsequent to this financial year other than the matters referred to in Future Developments below.

9. **Future Developments**

Huntley Management Limited is assessing the options for the future of the Project including terminating, privatising or continuing the Project. It is expected that a recommendation will be submitted to Members in the current financial year and in the meantime the Project will continue to be operated as it is currently structured.

10. **Interest Options**

No options over issued or unissued interests in the Project were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

11. **Directors' and Auditor's Indemnification Huntley Management Limited**

The current Responsible Entity has not, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

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DIRECTORS' REPORT

Australian Olives Limited (former responsible entity)

It is believed, although not confirmed, that the former Responsible Entity has not during the financial year in respect of any person who is or has been an officer or auditor of the Responsible Entity or of a related body corporate indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings, except for the following:

- the former Responsible Entity paid a premium to insure all directors and officers of the former Responsible Entity against liabilities, including costs and expenses incurred by them in defending any legal proceedings, arising out of their conduct while acting in the capacity of a director or officer of the former Responsible Entity, other than conduct involving a wilful breach of duty in relation to the Responsible Entity. The insurance policy applicable to this premium prohibits the disclosure of any information in relation to this policy. Accordingly the quantum of this premium is not disclosed in this report.
- the former Responsible Entity entered into an agreement to indemnify each of the directors and officers of the former Responsible Entity for any liability, cost, damage or expense incurred by any of the directors and officers in the proper discharge of their duties as a director or officer of the Responsible Entity.

12. Environmental Regulation

The Project and the current Responsible Entity have complied with all State and Commonwealth environmental regulations from the date of their appointment up to the date of this report.

13. Fees Paid to the Responsible Entity & Associates out of Project Property

In respect of the period 18 March to 30 June 2008, Huntley Management Limited was entitled to receive management fees of \$240,709 (GST inclusive), being \$265 & \$258 (GST inclusive) per 2004 & 2005 Interest, respectively, and Harvest Fees & Processing Fees of \$74,031 (GST inclusive), being \$81 per Interest, pursuant to the Grove Agreement & Constitution. These fees are payable by each Member individually from their own assets, however, the Harvest Fee & Processing Fee may be deducted in whole or part from the Proceeds Fund.

Huntley Custodians Limited was entitled to receive from Huntley Management Limited \$3,770 (GST inclusive) to act as custodian for the Project for the period 18 March 2008 to 30 June 2008. The custodian fees were not payable from Project property.

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DIRECTORS' REPORT

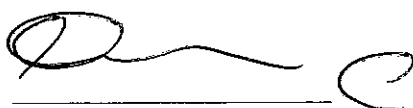
14. Details of Interests

Number of Interests in the Project held by the Responsible Entity or its Associates as at 30 June 2008	Nil
Interests in the Project issued during the period	Nil
Withdrawals from the Project during the period	Nil
Total Assets of the Project as at 30 June 2008	42,062
Interests in the Project as at 30 June 2008	914

15. Audit Declaration of Independence

The Project has been provided with a declaration of the auditor's independence as required by section 307 of the *Corporations Act 2001* included at page 7 of this financial report.

Signed in accordance with a resolution of the Directors of the Responsible Entity, Huntley Management Limited (A.C.N. 089 240 513)



John H Knox
Director

Sydney
Date:



Alexander Partners
CHARTERED ACCOUNTANTS

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF HUNTLEY MANAGEMENT LIMITED
AS RESPONSIBLE ENTITY OF AUSTRALIAN OLIVES PROJECT 6**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Alexander Partners

A D Fraser
Lead Auditor

12 December 2008



Alexander Partners

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF AUSTRALIAN OLIVES PROJECT 6

Report on the Financial Report

We have audited the accompanying financial report of Australian Olives Project 6 (the scheme), which comprises the balance sheet as at 30 June 2008, the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors Responsibility for the Financial Report

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

Auditors Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

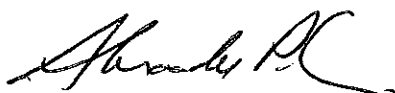
Basis for Qualified Auditor's Opinion

- Included in the Balance Sheet (and Income Statement) is closing stock on hand amounting to \$41,087 with respect to Olive Oil inventory. At the date of this report the stock remains unsold. We have been unable to obtain sufficient appropriate audit evidence with respect to the dollar value per litre for the scheme's inventory held at year end. This valuation not only affects inventory, but also the liability to the Responsible Entity disclosed at Note 6 and the cash flow reconciliation disclosed in Note 8.
- Auditing Standard ASA 580 'Management Representations' requires us to obtain a representation letter from management regarding contingencies, internal controls, fraud and other matters. The Directors of the Responsible Entity have not provided us with a written representation on the scheme's financial statements for the year ended 30 June 2008.
- The scheme is in breach of s319(3) of the *Corporations Act 2001*, which requires that the annual financial report be lodged within 3 months after the end of the financial year.

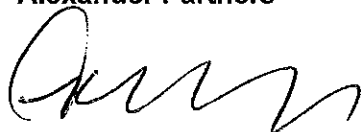
Qualified Auditor's Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the conditions described in the preceding paragraph not existed:

- (a) the financial report of Australian Olives Project 6 is in accordance with the *Corporations Act 2001* including:
- (i) giving a true and fair view of the scheme's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



Alexander Partners



A D Fraser
Partner

12 December 2008

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DIRECTOR'S DECLARATION


The directors of the responsible entity declare that:

- (a) The financial statements and notes of Australian Olives Project No. 6 set out on pages 11–25 are in accordance with the *Corporations Act 2001* and:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the project's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (b) In the responsible entity's directors' opinion, there are reasonable grounds to believe that the project 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 Directors of the Responsible Entity.

Signed at Sydney,

Date:



John H Knox
Director

AUSTRALIAN OLIVES PROJECT NO. 6
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Income			
Produce Revenue		-	3,339
Cost of sales	2	-	-
		<hr/>	<hr/>
Gross Profit		-	3,339
		<hr/>	<hr/>
Interest Received		-	-
		<hr/>	<hr/>
Total Income		-	3,339
		<hr/>	<hr/>
Expenses			
Other Expenses		16	180
		<hr/>	<hr/>
Total Expenses		16	180
		<hr/>	<hr/>
Profit (Loss) before income tax expense		(16)	3,159
Income tax expense	1(e)	-	-
		<hr/>	<hr/>
Profit (Loss) for the year		(16)	3,159
		<hr/>	<hr/>
Net Profit (Loss) attributable to members of the Project	8	(16)	3,159
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

AUSTRALIAN OLIVES PROJECT NO. 6**A.R.S.N. 107 866 259****BALANCE SHEET
AS AT 30 JUNE 2008**

	NOTE	2008	2007
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	62	70
Trade and other receivables	4	-	3,339
Inventories	5	41,087	-
TOTAL CURRENT ASSETS		<u>41,149</u>	<u>3,409</u>
TOTAL ASSETS		<u>41,149</u>	<u>3,409</u>
CURRENT LIABILITIES			
Payables	6	41,087	250
TOTAL CURRENT LIABILITIES		<u>41,087</u>	<u>250</u>
TOTAL LIABILITIES		<u>41,087</u>	<u>250</u>
NET ASSETS		<u>62</u>	<u>3,159</u>
EQUITY			
Project equity		-	-
Retained earnings	7	62	3,159
TOTAL EQUITY		<u>62</u>	<u>3,159</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN OLIVES PROJECT NO. 6
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Project Equity		Retained Earnings		Total Equity	
	2008	2007	2008	2007	2008	2007
Opening balance	-	-	3,159	-	3,159	-
Profit (Loss) for year attributable to members	-	-	(16)	3,159	(16)	3,159
Transactions with Project Members						
Distribution declared or paid	-	-	(3,081)	-	(3,081)	-
Closing balance	-	-	62	3,159	62	3,159

The accompanying notes form part of these financial statements.

AUSTRALIAN OLIVES PROJECT NO. 6
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 Inflows (Outflows) \$	2007 Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		3,339	-
Payments to Suppliers		(266)	(30)
		<hr/>	<hr/>
<i>Net Cash from Operating Activities</i>	8	3,073	(30)
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
		<hr/>	<hr/>
<i>Net Cash from Investing Activities</i>		-	-
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution Paid		(3,081)	-
Proceeds from Borrowings – Related Entities		-	100
		<hr/>	<hr/>
<i>Net Cash from Financing Activities</i>		(3,081)	100
		<hr/>	<hr/>
Net increase/(decrease) in Cash and cash equivalents held		(8)	70
Cash and cash equivalents at the beginning of the year		70	-
		<hr/>	<hr/>
<i>Cash and cash equivalents at the end of the year</i>		62	70
		<hr/>	<hr/>

The accompanying notes form part of these financial statement.

AUSTRALIAN OLIVES PROJECT NO. 6

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Corporations Act 2001* and the Constitution of the Australian Olives Project No. 6.

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

Australian Accounting Standards set out policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASB's ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

(b) Entity Structure

The Project is a Managed Investment Scheme for the purposes of the *Corporations Act 2001* and is regulated by the Project's Constitution and the *Corporations Act 2001*. The financial statements represent transactions in respect of the Proceeds Fund and Investments held by the Responsible Entity for the benefit of Members.

(c) Scope of Transactions

The Responsible Entity is required to establish a Proceeds Fund Bank Account under the Constitution into which all income generated from the Project will be deposited and from which the Responsible Entity will undertake distributions in accordance with the Constitution. The scope of transactions recognised in the Project accounts only includes transactions in the Proceeds Fund.

(d) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash includes cash on hand and "at call" deposits with banks or financial institutions, net of bank overdrafts and investments in money market instruments with less than 90 days to maturity.

(e) Income Tax

The project is not a taxable entity under the Income Tax Assessment Act 1997. Accordingly no income tax expense or income tax liability has been recorded. The Project was issued Product Ruling PR 2004/7.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Cont)

(f) Revenue

Harvest revenue is recognised as revenue on the delivery of olives to customers. Interest revenue is recognised as revenue on a proportional basis taking into account the interest rate applicable to each financial asset.

(g) Financial Instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date is adopted for financial assets that are delivered within timeframes established by the marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through income statement. Transaction costs related to instruments classified as at fair value through income statement are expensed to the income statement immediately. Financial instruments are classified and measured as set out below.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the income statement.

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

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

At each reporting date, the Responsible Entity assesses whether there is any objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(h) 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 Australian Taxation 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 Balance Sheet are shown inclusive of GST.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Cont)

(i) Comparatives

Comparative figures have been amended where necessary in order to comply with current year presentation requirements.

(j) Impairment of Assets

At each reporting date, the directors of the Responsible Entity review the carrying values of the Project's tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Critical Accounting Estimates and Judgements

The Directors of the Responsible Entity evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

The Directors of the Responsible Entity assess impairment at each reporting date by evaluating conditions specific to the Project that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(l) Expenses of Responsible Entity

The Responsible Entity is entitled under the Constitution and Grove Agreement to be reimbursed for certain expenses in administering the Scheme. Any amounts reimbursable are included in the Income Statement and are calculated in accordance with the Constitution and/or Grove Agreement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 2 - COST OF SALES		
Total Harvesting Expenses	41,087	2,245
Less Harvesting Subsidy – Australian Olives Ltd	-	(2,245)
Closing stock	<u>(41,087)</u>	<u>-</u>
Cost of Sales	<u>-</u>	<u>-</u>
NOTE 3 - CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>62</u>	<u>70</u>
NOTE 4 - TRADE AND OTHER RECEIVABLES		
Trade Debtors	<u>-</u>	<u>3,339</u>
NOTE 5 - INVENTORIES		
Stock on Hand – Olive Oil	<u>41,087</u>	<u>-</u>
Stock comprises 11,739 litres of olive oil valued at \$3.50/ litre.		
NOTE 6 - PAYABLES		
Trade Creditors – Project Members	-	-
Trade Creditor – Huntley Management Limited	41,087	-
Accrued Expenses	-	150
Sundry Creditors – Australian Olives Ltd	-	100
	<u>41,087</u>	<u>250</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
NOTE 7 - RETAINED EARNINGS		
Retained Earnings at the beginning of the year	3,159	-
Net Profit (Loss) for the year	(16)	3,159
Distributions declared or paid	(3,081)	-
Retained Earnings at the end of the year	62	3,159

**NOTE 8 - RECONCILIATION OF NET CASH FROM
OPERATING ACTIVITIES TO NET PROFIT
AFTER INCOME TAX**

Profit (Loss) after income tax	(16)	3,159
<i>Plus/(less) non cash items</i>	-	-
<i>Decrease/(increase) in:</i>		
Assets	(38,661)	(3,339)
<i>Increase/(decrease) in:</i>		
Liabilities	41,750	150
Net cash from operating activities	3,073	(30)

NOTE 9 - PROJECT INFORMATION

Australian Olives Project No. 6 is a managed investment scheme registered and regulated in accordance with Chapter 5C of the *Corporations Act 2001* and the Project's Constitution. The Project is domiciled in Australia.

The Responsible Entity for Australian Olives Project No. 6 is Huntley Management Limited (ACN 089 240 513) who was appointed on 18 March 2008.

The registered office and principal place of business of the Responsible Entity is:

Suite 301
Level 3
37 Bligh Street
SYDNEY NSW 2000

AUSTRALIAN OLIVES PROJECT NO. 6
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 9 - PROJECT INFORMATION (Cont)

The Australian Olive Project No 6 commenced in 2004 and will terminate on 30 June 2023 unless terminated earlier in accordance with the provisions of the Constitution.

Applicants became Members in the Project by entering into a Grove Agreement and Grove Licence Agreement. There are 71 Members holding 914 interests in the Project.

The Constitution of the Project governs the rights and obligations of each Member in the Project. It serves as a legally binding contract between the Responsible Entity and the Member.

Under the Grove Agreement the Member engages the Responsible Entity to manage the Member's Grove and to harvest and market the olives attributable to the Member's Grove.

The landowner, Collective Olive Groves Limited, has granted a lease of the Project land to the Responsible Entity who has granted a sub-lease back to the landowner. The landowner has entered into a Grove Licence Agreement with the Member for the Grove. Under the Grove Licence Agreement the landowner grants a licence to the Member to use and occupy the Grove for the planting, growing, harvesting and marketing of olives.

Each Member's share in the produce and proceeds of sale of the produce is determined in accordance with the Constitution. Each Member is responsible for paying the fees under the Grove Agreement and Grove Licence Agreement from their own assets.

Members in the Project undertake their own business of horticulture in relation to their Grove.

The project had no employees at 30 June 2008.

NOTE 10 - CAPITAL COMMITMENTS & CONTINGENCIES

There are no capital commitments or contingent liabilities at balance date.

NOTE 11 - SEGMENT REPORTING

The project operates predominantly in one business. The principal business of the project is the planting, growing, harvesting and marketing of olives for commercial gain.

The project operates predominantly in one geographical area being Queensland, Australia.

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NOTES TO THE FINANCIAL STATEMENTS
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	2008	2007
	\$	\$

NOTE 12 - RELATED PARTY DISCLOSURES

Australian Olives Limited – Responsible Entity 1 July 2007 to 18 March 2008

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

Anthony Johnston
 Blake Ammit
 Patrick Handbury

Director Related Transactions

The following amounts are owed by the Project to the following director related entities.

Sundry Creditors – Australian Olives Ltd	-	100
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This amount outstanding is unsecured, non interest bearing and is expected to be repaid in the following financial year.

The following amounts are owed to the Project by the following director related entities.

Trade Debtor – The South Australian Olive Corporation Pty Ltd	-	3,339
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Each amount outstanding is unsecured, non interest bearing and is expected to be received in the following financial year.

Huntley Management Limited – Responsible Entity 18 March 2008 to 30 June 2008

Responsible Entity Transactions

The following amounts is owed by the Project to the responsible entity for harvest fees.

Trade creditors	41,087	-
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This amount owing is unsecured, non interest bearing and is expected to be paid in the following financial year.

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NOTES TO THE FINANCIAL STATEMENTS
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	2008	2007
	\$	\$
NOTE 12 - RELATED PARTY DISCLOSURES (Cont)		
Responsible Entity Remuneration		
Management Fees 18 March to 30 June 2008		
- \$265 & \$258 per 2004 & 2005 Interest *	240,709	-
Harvest Fee & Processing Fee		
- \$45 Per Interest* – recoverable from Proceeds Fund	41,087	-
- \$35 Per Interest*	32,031	-

* These amounts are payable in accordance with the Grove Agreement & Constitution and are payable from the Member's own assets, however, the Harvest Fee & Processing Fee may be deducted from the Proceeds Fund.

Key Management Personnel

The names of the key management personnel during the financial year are:

- John H Knox – Chairman and managing director
- Stephen L Law - Director
- Francis G Swain - Director
- David G Millhouse - Director appointed 4 December 2007
- John P Deloughery - Director resigned 28 November 2007
- William J Foxall – Specified Executive

The aggregate compensation of the key management personnel of Huntley Management Limited while acting as the responsible entity paid by Huntley Management Limited in respect of their responsibilities to the Project during the period of appointment was:

Short term employee benefits	21,447	-
Post employment benefits	563	-

Custodian Remuneration

Huntley Custodians Limited 18 March to 30 June 2008	3,770	-
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The custodian fees are not payable from Project assets. Huntley Custodians Limited and Huntley Management Limited are wholly owned by the same parent entity, Huntley Consultancy Pty Ltd.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 13 - FINANCIAL INSTRUMENTS

The Project's financial instruments consist principally of deposits with banks, accounts receivable and accounts payable.

Part A - Financial Risk Management Policies

(a) Financial Instruments Management

The management of the financial instruments is undertaken by Huntley Management Limited, the Responsible Entity, who manages the financial risks relating to the operations of the Project in accordance with the Project's Constitution.

The Project does not enter into or trade financial instruments, including derivatives financial instruments, for speculative purposes.

Huntley Custodians Limited acts as Custodian of Project property on behalf of Huntley Management Limited and, as such, provides services including physical custody and safekeeping of assets.

(b) Financial Exposures and Management

The Project's activities expose it primarily to the financial risks of credit risk and liquidity risk.

(i) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Project. The receivable balance relates principally to the sale of oil. The Project, therefore, has significant credit risk exposure to that counterparty.

The Responsible Entity seeks to mitigate credit risk by only dealing with creditworthy counter parties.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date is the carrying amount of those assets, net of any provision for impairment of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

(ii) Liquidity Risk

The Project's approach to liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities. As Members are not entitled to redeem their Groves the Project is not exposed to this liquidity risk. The Project's Proceeds Account operating liquidity requirements are able to be reliably estimated as a distribution is not declaration until sales proceeds are recovered and expenses quantified.

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NOTE 13 - FINANCIAL INSTRUMENTS (Cont)

Part B – Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity

Note	Weighted Average Int Rate %	Floating Interest Rate	<u>Fixed Interest Maturing in</u>			Non Interest Bearing	Total
			1 year or less	1 year to 5 years	More than 5 years		
30 June 2008							
Financial Assets							
Cash and cash equivalents	0.00%	62	-	-	-	-	62
Trade and other receivables		-	-	-	-	-	-
		62	-	-	-	-	62
Financial Liabilities							
Trade and other payables		-	-	-	-	41,087	41,087
		-	-	-	-	41,087	41,087
30 June 2007							
Note	Weighted Average Int Rate %	Floating Interest Rate	<u>Fixed Interest Maturing in</u>			Non Interest Bearing	Total
			1 year or less	1 year to 5 years	More than 5 years		
Financial Assets							
Cash and cash equivalents	0.00%	70	-	-	-	-	70
Trade and other receivables						3,339	3,339
		70	-	-	-	3,339	3,409
Financial Liabilities							
Trade and other payables		-	-	-	-	250	250
		-	-	-	-	250	250

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13 - FINANCIAL INSTRUMENTS (Cont)

Part C – Net Fair Values

No financial assets and financial liabilities of the Project are readily traded on organised markets. The net fair values of assets and liabilities approximate their carrying value. There are no financial assets where the carrying value exceeds net fair values.

Part D – Sensitivity Analysis

The Project is not exposed to any significant fluctuations in interest, currency or market risk. As such, no sensitivity analysis has been performed.

NOTE 14 – ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The following Australian Accounting Standards have been issued or amended and are applicable to the Project but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB 8 ‘Operating Segments’, AASB 2007-3 ‘Amendments to Australian Accounting Standards arising from AASB 8’

AASB 8 and AASB 2007-3 are applicable to annual reporting periods beginning on or after 1 January 2009. The Project has not adopted these standards early. Application of these Standards will not affect any of the amounts recognised in the financial statements, but may change the disclosures presently made in relation to the financial statements.

AASB 101 ‘Presentation of Financial Statements’ (revised September 2007), AASB 2007-8 ‘Amendments to Australian Accounting Standards arising from AASB 101’

AASB 101 (Revised) and AASB 2007-8 are applicable to annual reporting periods beginning on or after 1 January 2009. The Project has not adopted these standards early. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements. If the Project makes a prior period adjustment or re-classifies items in the financial statement, it will need to disclose a third balance sheet (statement of financial position), this one being at the beginning of the comparative period.