

Great Southern 2008 Almond Income Project

ARSN 127 947 960

Financial Statements

For the Year Ended 30 June 2011

Great Southern 2008 Almond Income Project

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Great Southern 2008 Almond Income Project

ARSN 127 947 960

For the Year Ended 30 June 2011

Directory

Registered Office	Level 2, 2 King Street DEAKIN ACT 2600
Responsible Entity	Rural Funds Management Limited ABN 65 077 492 838 Level 2, 2 King Street DEAKIN ACT 2600 Telephone: 02 6203 9700 Facsimile: 02 6281 5077
Directors	David Bryant Michael Carroll Guy Paynter
Company Secretary	Stuart Waight
Custodian	Australian Executor Trustees Limited ABN 84 007 869 794 Level 22 207 Kent Street SYDNEY NSW 2000
Auditors	Ernst & Young The Ernst & Young Building 11 Mounts Bay Road PERTH WA 6000

Great Southern 2008 Almond Income Project

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Directors' Report

30 June 2011

The directors of Rural Funds Management Limited ("RFM"), the Responsible Entity of Great Southern 2008 Almond Income Project Scheme (the "Scheme") submit their report for the Scheme for the year ended 30 June 2011.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names

David Bryant

Michael Carroll

Guy Paynter

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

Principal Activities

The principal activity of the Scheme is managing the cashflows associated with the commercial growing of almonds to be sold for consumption in Australia and internationally.

For the duration of the licence period, Growers are entitled to receive the net cashflows arising under the Scheme, being the revenue from almond sales less Scheme costs. Prior to the almond trees reaching commercial maturity, Scheme costs will exceed revenues and the growers are required to fund the shortfall. Once the revenues exceed the costs, the surplus will be distributed to growers.

As the Scheme manages the cashflows associated with the above and does not operate a business in its own right, the Scheme does not have net assets. The respective rights and obligations under the Licence and Management Agreement ("LMA") rest with the Growers.

RFM RiverBank (RiverBank) is the owner of the land which is leased or licensed to the Scheme for utilisation by the Scheme. The Scheme grants a licence of an Almondlot pursuant to the LMA.

If Growers fail to make payment in accordance with the LMA, the Scheme may cancel their Almondlots and the Growers interest in the Scheme is automatically terminated.

Under the terms of the Funding Agreement, Riverbank has been granted licences over 39 of the total of 1058 Almondlots, comprising 4 that were cancelled in March 2011 and 35 acquired from the previous Responsible Entity.

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Directors' Report

30 June 2011

Principal Activities (continued)

As the granting of a license to Riverbank for cancelled groves does not confer upon RiverBank the rights or obligations of a Grower under the Scheme, the cashflows from Riverbank and the Growers are shown separately.

Review of operations and Results

Net profit attributable to growers for year ended 30 June 2011 was \$Nil (2010: \$Nil). For the year ended 30 June 2011 there have been no operations in the Scheme.

Matters subsequent to the end of the financial year

At the date of signing, the interests in the Scheme and Scheme Asset is:

	Licence and Management Agreements	No. of Almondlots under Lease and Management Agreements
Interests issued (1/7/11 to 29/09/11)	Nil	Nil
Withdrawals from the Scheme (1/7/11 to 29/09/11)	Nil	Nil
Licence and Management Agreements (at 29/09/11)	201	1,058
Value of Scheme net assets (at 29/09/11)	\$Nil	\$Nil

Distributions

No distributions were made during the year. The almond grove is expected to reach full production seven years after planting (financial year ending 30 June 2015) with harvest proceeds continuing until the end of the project in 2028.

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Directors' Report

30 June 2011

Interests in the scheme and scheme assets

	Licence and Management Agreements	No. of Almondlots under Lease and Management Agreements
Interests issued during the financial year	Nil	Nil
Withdrawals from the Scheme during the financial year	4	4
Lease and Management Agreements (at 30 June 2011)	201	1,058
Value of Scheme net assets (at 30 June 2011)	\$Nil	\$Nil

Interests in the scheme held by the responsible entity and its associates

RiverBank is a fund managed by the Responsible Entity and is thus associated with it.

RiverBank has been granted licenses over 39 Almondlots by the Scheme. Under the terms of these licenses, RiverBank is entitled to the harvest proceeds arising from these lots and is obligated to pay its proportionate share of the operating expenses and management fees. Riverbank does not have the rights or obligations of a Grower under the Scheme.

Fees paid to responsible entity

In accordance with the changes to the Constitution and LMA's, the Responsible Entity received management fees of \$222.08 (2010:\$215.80), inclusive of GST, per almondlot.

Significant Changes in State of Affairs

There were no significant changes to the state of affairs of the Scheme during the year, other than as outlined in this Directors' Report.

Likely developments and expected results of operations

The Scheme will continue to manage the cashflows towards achieving maturity of the almond trees.

Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Scheme.

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Directors' Report

30 June 2011

Indemnification of Directors and Officers

Under the Scheme's constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Scheme's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Scheme.

Insurance of officers

During the financial year RFM has paid premiums in respect of the RFM's directors' or executive officers' liability and legal expenses' insurance contracts for the year ended 30 June 2011. The entity has paid in respect of the Scheme, premiums in respect of such insurance contracts for the year ending 30 June 2010. Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are or have been the directors or executive officers of RFM.

Auditor's Independence Declaration

The auditor of the Scheme, Ernst and Young, has provided us with an independence declaration which forms part of this report and can be found on page 5.

This report is made in accordance with a resolution of the directors of the Responsible Entity.

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



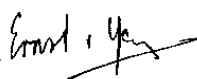
David Bryant

Director

Dated the 30th day of September 2011

Auditor's Independence Declaration to the Directors of Rural Funds Management Limited, as Responsible Entity for the Great Southern 2008 Almond Income Project

In relation to our audit of the financial report of Great Southern 2008 Almond Income Project for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'R A Kirkby'.

R A Kirkby
Partner
Perth
30 September 2011

Great Southern 2008 Almond Income Project

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Statement of Comprehensive Income

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Revenue and Other Income	-	-
Expenses	-	-
Net Profit / (Loss) Attributable to Growers	-	-
Finance Costs	-	-
Distribution to Growers	-	-
Net Profit / (Loss) for the Period	-	-
Other Comprehensive income	-	-
Change in Net Assets Attributable to Growers	-	-

The accompanying notes form part of these financial statements

Great Southern 2008 Almond Income Project

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Statement of Financial Position

30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	503,644	1,087,941
Total current assets		503,644	1,087,941
TOTAL ASSETS		503,644	1,087,941
LIABILITIES			
Current liabilities			
Trade and other payables	4	503,644	1,087,941
Total current liabilities		503,644	1,087,941
TOTAL LIABILITIES (excluding net assets attributable to growers)		503,644	1,087,941
Net assets attributable to growers		-	-

The accompanying notes form part of these financial statements

Great Southern 2008 Almond Income Project

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Statement of Net Assets Attributable to Growers

For the Year Ended 30 June 2011

	Net Assets Attributable to Growers
	\$
Balance at 1 July 2010	-
Change in net assets attributable to growers	-
Total income and expense for the period	-
Balance at 30 June 2011	-
	Net Assets Attributable to Growers
	\$
Balance at 1 July 2009	-
Change in net assets attributable to growers	-
Total income and expense for the period	-
Balance at 30 June 2010	-

The accompanying notes form part of these financial statements

Great Southern 2008 Almond Income Project

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Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Cash from operating activities:			
Contributions from Growers		2,257,409	2,911,416
Payment for Almondlots licensed to RiverBank	6(d)	147,511	-
Payment from RiverBank for shortfall funding		554,849	-
Payments to suppliers and employees		(3,592,486)	(1,838,295)
Interest received		48,420	14,820
Net cash provided by (used in) operating activities	7	(584,297)	1,087,941
Net increase (decreases) in cash held		(584,297)	1,087,941
Cash at beginning of financial year		1,087,941	-
Cash at end of financial year	3	503,644	1,087,941

The accompanying notes form part of these financial statements

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with:

1. The Scheme's constitution and the requirements of the Corporations Act 2001.
2. Australian Accounting Standards, interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Great Southern 2008 Almond Income Project ("AF08") as an individual entity. AF08 is a scheme, established and domiciled in Australia. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The financial report of AF08 for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 30 September 2011.

AF08 is a registered Australian Managed Investment Scheme, and was constituted in 2007. Rural Funds Management (RFM), the Responsible Entity of the Scheme is incorporated and domiciled in Australia. The registered office of the Responsible Entity is Level 2, 2 King Street, Deakin, ACT 2600.

(i) Scheme information

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The Scheme is responsible for managing the cashflows to enable the commercial growing of almonds to be sold for consumption in Australia and internationally.

AF08 does not operate a business in its own right. AF08 acts as a conduit for the receipt of income from the sale of almond produce, and the distribution of the same to the grower investors. It also acts as a conduit for the receipt of monies from growers and where applicable the distribution of those monies in accordance with the Scheme's constituent documents. Growers are responsible for all operating costs, licence and management fees, including an interest component to fund the operation. Any profits made under the Scheme are profits made by the growers.

For the duration of the licence period Growers are entitled to receive the net cashflows arising under the Scheme, being the revenue from almond sales less Scheme costs. Prior to the almond trees reaching commercial maturity, Scheme costs will exceed revenues and the growers are required to fund the shortfall. Once the revenues exceed the costs, the surplus will be distributed to Growers.

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

As the Scheme manages the cashflows associated with the above and does not operate a business in its own right, the Scheme does not have net assets. The respective rights and obligations under the Licence and Management Agreement ("LMA") rest with the Growers.

The information in this financial report is for the benefit of the growers and includes income and expenditure that has 'flowed through' the Scheme, however it should be noted that the Scheme does not generate or incur income or expenditure in its own right.

(ii) Obligations of the Responsible Entity

As Responsible Entity, RFM has obligations to operate the Scheme and perform functions conferred on it by the relevant Scheme constitution.

In addition, RFM has separately entered into individual contractual arrangements with members of the Scheme under which RFM has other obligations directly with the individual members of the Scheme.

This financial report relates only to the Scheme and therefore only considers the obligations of RFM to the Scheme pursuant to the constitution and the sublease. Other than as noted below at Note 1(a)(iii), the financial report does not consider obligations of RFM in respect of obligations to members of the Scheme pursuant to the separate contractual relationships between RFM and those members.

(iii) Other obligations to Members of the Scheme

In addition to its responsibilities as the Responsible Entity, RFM has entered into individual contractual arrangements with members of the Scheme under which RFM is obliged to incur various expenditures and provide various services. The members either have paid or will make payments to RFM to perform these obligations. The costs incurred by RFM in discharging its contractual obligations with members are specific financial obligations of RFM and are reimbursable to RFM from the members. They can be recoverable from the members proceeds of sale and are not financial obligations of the Scheme. Therefore these costs are not directly relevant to this financial report.

Notwithstanding this, members of the Scheme should understand that in addition to RFM meeting its obligations to the Scheme under the various managed investment scheme constitutions, RFM also needs to meet its contractual obligations to members for services pursuant to the individual agreements entered into with individual members of the Schemes. These obligations include incurring maintenance expenditures for the duration of the Schemes.

The cash inflows to RFM from the performance of the ongoing management and maintenance services for the members, are predominately received within thirteen months of expenditure.

(b) Statement of compliance

The financial report of AF08 complies with Australian Accounting Standards and International Financial Reporting Standards.

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(c) Reporting Basis and Conventions

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards 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 and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and are based on historical costs.

(d) Application of Accounting Standards

From 1 July 2010 the scheme has adopted all Standards and interpretations mandatory for reporting periods beginning on or after 1 July 2010, including:

AASB 101 Presentation of Financial Statements

The revised standard stipulates that the terms of a liability that could at any time result in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification as current or non-current.

AASB 107 Statement of Cash Flows

The revised standard states that only expenditures that result in a recognised asset can be classified as a cash flow from investing activities.

AASB 117 Leases

The revised standard removes specific guidance on classifying land as a lease so that only the general guidance remains.

AASB 132 Financial Instruments: Presentation

The revised standard amends the definition of a financial liability to classify certain rights (and certain options or warrants) as equity instruments if they satisfy certain conditions.

AASB 136 Impairment

The revised standard clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment defined in AASB 8 before aggregation for reporting purposes.

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid". As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that liability.

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(d) Application of Accounting Standards (continued)

AASB 2010-3 Amendments to Australian Accounting Standards Arising from the Annual improvements Project

This amendment affected the following standards:

AASB 3 Business Combinations;

AASB 7 Financial Instruments: Disclosures;

AASB 121 The Effects of Changes in Foreign Exchange Rates;

AASB 128 Investments in Associates;

AASB 131 Investments in Joint Ventures;

AASB 132 Financial Instruments: Presentation; and

AASB 139 Financial Instruments: Recognition and Measurement.

Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the Group.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(f) Trade and other receivables

Receivables are recognised and carried at original amount, less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Financial difficulties of the debtor, default payments or debts more than 180 days are considered objective evidence of impairment.

(g) Financial Instruments

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

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.

Financial liabilities

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

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(h) Trade and other payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Scheme.

Payables include distributions payable. The carrying period is aligned with the receipt of trade receivables in accordance with note (f) and the terms of the Scheme constitution which determine that distributions are payable on or before 30 September each year.

(i) Revenue

Interest revenue is recognised in the statement of comprehensive income as it accrues, on an effective interest rate basis, except where it relates to insurance or application monies which is outside of the Scheme.

(j) Sale of agricultural produce

Revenue from the sale of agricultural produce is recognised when the produce has been delivered to the customer, the customer has accepted the produce and collectability of the related receivable is probable.

(k) 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 statement of financial position are shown inclusive of GST.

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.

(l) Going concern

The financial report for the Scheme has been prepared on a going concern basis. The ability of the Scheme to continue as a going concern is subject to the ongoing contributions being received from growers. Based on the history of contributions received for the 30 June 2010 and 30 June 2011 years, since RFM became the Responsible Entity, the Directors of RFM are satisfied that it is reasonable to expect that growers will continue to provide their ongoing contributions.

RFM invoice the growers for the 2012 fees in June 2011. In the event that Growers fail to pay their ongoing contributions, the lots will be forfeited and RFM RiverBank will assume responsibility for the ongoing costs for these lots.

(m) Income Tax

All Scheme assets and any income of the Scheme is held on behalf of either the growers or the Responsible Entity. The Scheme does not derive any income on its own account and accordingly is not subject to income tax.

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(n) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Scheme has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Scheme:

Standard name	Effective date for entity	Requirements	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	30 June 2012	<ul style="list-style-type: none"> - Clarification of the definition of a related party - Requirement to disclose commitments to related parties - Disclosure exemptions for government-related entities 	Minimal impact expected
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	<ul style="list-style-type: none"> - Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments. 	The impact of AASB 9 has not yet been determined.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	30 June 2012	<p>Makes changes to a number of standards / interpretations including:</p> <ul style="list-style-type: none"> - Clarification of the content of the statement of changes in equity - Financial instrument disclosures - Fair value of award credits 	No impact expected.
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	30 June 2012	Requires additional disclosures regarding for example, remaining risks where an entity has transferred a financial asset	No impact expected.
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	30 June 2012	Collates the Australian specific disclosures into one Accounting Standard rather than including them within a number of different standards.	Little impact since most of the disclosures required by AASB 1054 are already included within the financial statements.

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

Standard name	Effective date for entity	Requirements	Impact
AASB 13 Fair Value Measurement	30 June 2014	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>

(o) Significant accounting judgements and estimates

The preparation of the Scheme's financial statements did not require management to make any significant estimates, judgments or assumptions that affect the amounts recognized in the financial statements.

(p) Inventory

Inventory is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses. The cost of inventory on hand reflects an accumulation of both direct and indirect costs associated with their production, transportation and storage.

(q) Agribusiness Operations, Land & Lease Rental and Management Fees

Fixed management fees charged for the years ended 30 June 2009, 2010, 2011 and 2012 are not recognised as an expense of the scheme as they are charged by the Responsible Entity directly to growers.

From 30 June 2012, growers are responsible for their proportional share of operating costs and expenses and licence and management fees. As these costs are pooled and proportioned between growers in the scheme, the amounts will be presented as an expense of the scheme in the statement of comprehensive income.

(r) Biological assets

As the almond trees are not the assets of the Scheme they are not recorded in the Scheme accounts.

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(s) Distributions

Distributions to Growers during the year ended 30 June 2011 were \$Nil (2010: Nil). The almond grove is expected to reach full production seven years after planting (financial year ending 30 June 2015) with harvest proceeds continuing until the end of the project in 2028.

(t) Terms and conditions on interests

Each Grower entered into a LMA under which they contracted with the Responsible Entity to take a lease of one or more almondlots, totaling 0.25 hectares each, within the almond grove, and for the Responsible Entity to carry on the future management and maintenance of those almondlots for the duration of the project. The Responsible Entity will arrange for the harvest of the almond produce on behalf of Growers. The almond produce from all almondlots in the project will be aggregated with Growers receiving their proportionate share of the proceeds of sale of almond produce from the project as arranged by the Responsible Entity.

As a result of the resolutions passed at a meeting of Growers on 24 February 2010 an almondlot is defined as an area of approximately 0.25 hectares or such other size as notified by the Responsible Entity to the Grower. At the date of this report the almondlot size is 0.2158 hectares.

(u) Shortfall on Funds

In accordance with the Funding Agreement, RiverBank is liable to pay for any shortfall associated with the fixed fee period. The amount paid by RiverBank is included in the Statement of Cash Flows.

In February 2011, Riverbank and the Scheme clarified the obligations of both parties in a Funding Agreement, by which Riverbank agreed to take a licence over the cancelled Almondlots, pay any shortfall associated with the fixed fee period (up to a maximum of \$2m annually); and thereafter, up to 30 June 2015 provide funding to the Scheme to assist in meeting the ongoing costs of orchard maintenance and management and other expenses of the Scheme (capped at \$2.66m).

2 Auditors' Remuneration

The Responsible Entity bears the cost of the audit of the Scheme and of the compliance plan.

3 Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash and cash equivalents	503,644	1,087,941
	503,644	1,087,941

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Trade and Other payables

	2011	2010
	\$	\$
Trade payables to the Responsible Entity	503,644	1,087,941
	503,644	1,087,941

5 Financial Risk Management Policies

(a) Financial risk management objectives, policies and processes

Financial instruments of the Scheme comprise, cash and cash equivalents, net assets attributable to growers, and other financial instruments such as trade debtors and creditors, which arise directly from its operations. The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to growers of the Scheme from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

This information is prepared and reported to relevant parties within the Responsible Entity on a regular basis as deemed appropriate, ultimately to the Board of Directors of the Responsible Entity.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty. In order to avoid excessive concentrations of risk, the Scheme monitors its exposure to ensure concentrations of risk remain within acceptable levels.

(b) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Scheme to incur a financial loss.

With respect to credit risk arising from the financial assets of the Scheme, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Credit risk is not considered to be significant to the Scheme because any default by a grower on their contributions results in a corresponding reduction in the payable to RFM for management fees, licence fees and interest.

(c) Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled as the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

Under the terms of its Constitution, the Scheme has the ability to manage liquidity risk by delaying distributions to growers, if necessary, until the funds are available to pay them.

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

5 Financial Risk Management Policies (continued)

Financial liabilities of the Scheme comprise of trade and other payables, and net assets attributable to growers. Trade and other payables are on terms that correspond with grower contributions receivables thus limiting liquidity risk. Net assets attributable to growers are payable when distributable profit meets the criteria for distribution according to the Scheme's Constitution.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. Market risk is not considered to be significant to the Scheme.

(e) Fair values

The Scheme's financial assets and liabilities included in the Statement of Financial Position are carried at their fair value or at amounts that approximate their fair values.

6 Key Management Personnel Compensation

(a) Directors

The Directors of RFM are considered to be Key Management Personnel of the Scheme. The Directors of the Responsible Entity in office during the year and up to the date of the report are:

D Bryant
G Paynter
M Carroll

(b) Fees Paid to Responsible entity

Total fees paid by the scheme to the Responsible Entity during the period for management of the Scheme were \$Nil (2010:\$Nil).

For the year ended 30 June 2010, the management fee payable by growers in line with the PDS was \$2,400 per lot (including the licence fee of \$1,316). As a result of GSMAL entering voluntary administration on 16 May 2009 the management fee was not invoiced to growers.

Following the appointment of RFM as the Responsible Entity on the 24 February 2010, the constitution of the Scheme was amended and the management fee structure for 30 June 2010 was changed to \$2,400 plus \$250 plus 100% of the Total Almond Revenue per lot.

The revised fee structure has been applied retrospectively from 1 July 2009 to growers that elected to remain in the scheme. Following the decision of the Responsible Entity to reduce the lot size from 0.25ha to 0.2158ha the revised fees and costs were for 30 June 2010 were scaled back on a proportional basis to \$2,072 plus \$216 plus 100% of Total Almond Revenue (all GST inclusive).

For the year ended 30 June 2011, the fees and costs, applied on a similar scaled back basis were, \$2,072 plus \$222.08 plus 100% of Total Almond Revenue (all GST inclusive).

Great Southern 2008 Almond Income Project

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Notes to the Financial Statements

For the Year Ended 30 June 2011

In line with the Schemes accounting policy, fixed management fees charged by the Responsible Entity directly to the growers are not recognised as an expense of the scheme.

For the year ended 30 June 2011 the Licence fee is included as part of the Management Fee.

(c) Compensation of Key Management Personnel

No amount is paid by the Scheme directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the Scheme to the Directors as Key Management Personnel.

No direct payments were made to key management personnel from AF08.

(d) Interests in the Scheme held by the Responsible Entity and its Associates

RiverBank is a fund managed by the Responsible Entity and is thus associated with it.

RiverBank has been granted licenses over 39 Almondlots by the Scheme. Under the terms of these licenses, RiverBank is entitled to the harvest proceeds arising from these lots and is obligated to pay the operating expenses and management fees. Riverbank does not have the rights or obligations of a Grower under the Scheme.

In 2011, Riverbank paid \$147,511 to the Scheme in respect of these Almondslots to cover the operating expenses associated with these lots. The responsible entity decided not to levy management fees in respect of these lots.

7 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2011	2010
	\$	\$
Net income/(loss) for the period	-	-
changes in assets and liabilities:		
Increase/(decrease) in trade payables and accruals	(584,297)	1,087,941
Cashflow from (used in) operations	(584,297)	1,087,941

8 Subsequent Events

Since 30 June 2011 there have been no other matters or circumstances not otherwise dealt with in the financial report that have significantly affected or may significantly affect the scheme.

9 Contingent liabilities

There are no known contingent liabilities of a material nature as at 30 June 2011.

Great Southern 2008 Almond Income Project

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Directors' Declaration of the Responsible Entity

In the opinion of the directors of Rural Funds Management Limited, the Responsible Entity of Great Southern 2008 Almond Income Project (the Scheme):

- (a) The financial statements and notes of the Scheme are 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 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards, Corporations Regulations 2001 and the Scheme's constitution; and
- (b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.
- (c) The financial report also complies with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.



David Bryant

Director

Dated: 30 September 2011

Independent auditor's report to the growers of Great Southern 2008 Almond Income Project

Report on the financial report

We have audited the accompanying financial report of Great Southern 2008 Almond Income Project ("the Scheme"), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in net assets attributable to growers and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of Rural Funds Management Limited, the Responsible Entity of the Scheme, 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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*. We have given to the directors of the Responsible Entity of the Scheme a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Basis for Qualified Opinion

We audited the financial statements of the Scheme for the year ended 30 June 2010, for which we were unable to and did not express an opinion as to a true and fair view of the financial position of the Scheme as at 30 June 2010 and of its performance for the year ended on that date due to the existence of the limitation of the scope of our work as detailed below:

1. "RFM was registered as the Responsible Entity of the Scheme on 24 February 2010, and was not the Responsible Entity of the Scheme throughout the entire financial year ended 30 June 2010. The Board of RFM have identified that they did not have oversight or control over the Scheme's financial reporting systems, risk management systems, or internal control systems for the period 1 July 2009 to 23 February 2010.

Due to the above, the Board of RFM was unable to conclude without qualification, within its directors' declaration, that the financial statements of the Scheme have been prepared in accordance with the Corporation Acts 2001 and Australian Accounting Standards, to give a true and fair view of the financial position of the Scheme as at 30 June 2010 and of its performance for the ended on that date.

The representation letter provided to the auditors by the Responsible Entity of the Scheme has also been qualified on the basis that RFM did not have oversight or control over the Scheme's financial reporting systems, risk management systems, or internal control systems during the year ended 30 June 2010.

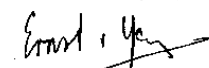
2. We audited the financial statements of the Scheme for the financial year ended 30 June 2009, for which we were unable to and did not express an opinion as to a true and fair view of the financial position of the Scheme as at 30 June 2009 and of its performance for the year ended on that date due to the existence of the limitation of the scope of our work as detailed in our disclaimer of auditor's opinion dated 20 January 2011. Certain balances as at 30 June 2009 enter into the determination of financial performance for the year ended 30 June 2010."

Qualified Opinion

Because of the existence of the limitation on the scope of our work as described in the preceding paragraph, and the effect on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express a opinion on the statement of comprehensive income, statement of cashflows, statement of changes in net assets attributable to growers and the associated disclosures of Great Southern 2008 Almond Income Project for the year ended 30 June 2010, which are shown for the purpose of comparison.

With this exception, in our opinion the financial report of Great Southern 2008 Almond Income Project is in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the Great Southern 2008 Almond Income Project's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- ii complying with applicable Australian Accounting Standards and the *Corporations Regulations 2001*.



Ernst & Young



R A Kirkby
Partner
Perth

30 September 2011