

**BIODYNAMIC AGRICULTURE AUSTRALIA LTD
ABN 42 588 901 426**

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2008**

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DIRECTORS' REPORT

Your directors present their report on the company for the year ended 31 December 2008.

Directors

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

Anton Van Klopper	(Resigned 15 June 2008)
Ulli Spranz	Chairperson (Appointed 19 July 2008)
Ross MacDonald	(Appointed 28 December 2008)
Barbra Hedley	(Appointed 19 July 2008)
Ian Cuming	(Resigned 15 June 2008)
Phil Sedgman	(Resigned 15 June 2008)
Maaike Steiner	(Appointed 19 July 2008)

Company Secretary

The following person held the position of Company secretary at the end of the financial year:
Ian Cuming

Principal Activities

The principal activities of the company during the period were to provide;

- Workshops and field days on a local and national level, for beginners and specific groups
- Biodynamic preparations and guidelines on how to use and manufacture them
- Biodynamic Phone Advisory Service
- Books and guides to Biodynamics.

There were no other significant changes in the nature of the company's principal activities during the period.

Operating Results

The profit of the Company for the year ended 31 December 2008 amounted to \$34,871 (2007 loss \$23,923 for the six months ended 31 December 2007).

Non-distribution of surplus to Members

In accordance with the company's constitution, Biodynamic Agriculture Australia Ltd is a not for profit organisation and therefore no distribution of profits or capital can be made to members.

Review of Operations

The results of the operations of the company during the period are summarised as follows:

	12 Months Ended 31-Dec-08	6 Months Ended 31-Dec-07
Revenue	\$ 665,731	\$ 341,339
Expenses	(630,860)	(365,262)
Operating profit/(loss)	<u>\$ 34,871</u>	<u>\$ (23,923)</u>

DIRECTORS' REPORT

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the company during the period.

After Balance Date Events

Hamish Mackay was dismissed by the Board as CEO of the company on the 23 March 2009. The operations of the company were being materially effected by the performance of the CEO and the Board feels it has acted in the best interest of the members. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of these operations, or the state of affairs of the Company in future periods.

Future Developments, Prospects and Business Strategies

The company will continue to promote the acceptance and use of the Biodynamic Agricultural Principles to help with improved sustainability of the earth, global warming and the health and nutrition of mankind. The sale of Biodynamic preparations, workshops and literature will sustain future development activities.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Information on Directors

Name:	Ulli Spranz
Qualification	BD-Farm Paris Creek - Certified BD
Experience	Chairperson (Appointed 19 July 2008)
Name:	Anton Van Klopper
Qualification	Biodynamic Viticulture
Experience	(Resigned 15 June 2008)
Name:	Maaike Steiner
Qualification	Biodynamic Cropping and Grazing - Certified BD
Experience	Director (Appointed 19 July 2008)
Name:	Ian Cuming
Qualification	Biodynamic Kiwi Fruit Grower
Experience	Chairperson (Resigned 15 June 2008)
Name:	Ross McDonald
Qualification	Biodynamic Wine and Olives - Certified BD
Experience	Director (Appointed 28 December 2008)
Name:	Barbara Hedley
Qualification	
Experience	Director (Appointed 19 July 2008)
Name:	Phil Sedgman
Qualification	
Experience	Director (Resigned 15 June 2008)

DIRECTORS' REPORT

Meetings of Directors

During the financial year 4 meetings of directors were held and attendances by each director during the year were as follows:

	Number	Eligible to
Anton Van Klopper	2	2
Ulli Spranz	4	4
Ross MacDonald	1	1
Ian Cuming	2	2
Phil Sedgman	2	2
Maaike Steiner	4	4
Barbra Hedley	4	4

Indemnifying Officers or Auditor

During or since the end of the financial year the company has given indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums of \$1,434 to insure directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company, other than conduct involving a wilful breach of duty in relation to the company.

Members' Guarantee

The Biodynamic Agriculture Australia Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December 2008, the number of members was 1297 (31 December 2007: 1259 members).

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2008 has been received and can be found on page 5 of this report.

Signed in accordance with a resolution of the Board of Directors

Ulli Spranz
Chairperson
Dated 14 May 2009

Maaike Steiner
Director

BIODYNAMIC AGRICULTURE AUSTRALIA LTD
ABN 42 588 901 426

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BIODYNAMIC AGRICULTURE AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, during the period ending 31 December 2008 there have 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.



K N Rushforth
Registered Company Auditor (ASIC Number 4367)
WHK Rutherfords
107 West High Street
COFFS HARBOUR NSW 2450

Dated 11 December 2008

Lismore
53 Carrington Street
PO Box 523
Lismore NSW 2480
T 02 6621 9222
F 02 6621 9385

Grafton
82 Victoria Street
PO Box 13
Grafton NSW 2460
T 02 6642 7555
F 02 6642 7993

Coffs Harbour
107 West High Street
PO Box 8
Coffs Harbour NSW 2450
T 02 6652 3211
F 02 6651 4301
info@whkcamerons.com.au

BIODYNAMIC AGRICULTURE AUSTRALIA LTD
ABN 42 588 901 426

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	12 Months Ended 31-Dec-08	6 Months Ended 31-Dec-07
Note	\$	\$
Sales Revenue	466,395	194,435
Cost of Sales	<u>(206,681)</u>	<u>(109,259)</u>
Gross Profit	259,714	85,176
Other Revenue	199,336	146,904
Depreciation	(14,975)	(6,079)
Employee Entitlements	(283,149)	(144,452)
Other expenses	<u>(126,055)</u>	<u>(105,472)</u>
Profit/(loss) before income tax expense	34,871	(23,923)
Income tax expense	1(a) -	-
Profit/(loss) attributable to the members of the company	<u>\$ 34,871</u>	<u>\$ (23,923)</u>

The accompanying notes form part of this financial report.

BIODYNAMIC AGRICULTURE AUSTRALIA LTD
ABN 42 588 901 426

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	12 Months Ended 31-Dec-08 \$	6 Months Ended 31-Dec-07 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	63,376	38,350
Trade and other receivables	5	37,703	51,765
Inventory	6	37,901	25,865
Other current assets	7	1,534	1,604
TOTAL CURRENT ASSETS		<u>140,514</u>	<u>117,584</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	<u>39,204</u>	<u>42,369</u>
TOTAL NON CURRENT ASSETS		<u>39,204</u>	<u>42,369</u>
TOTAL ASSETS		<u>179,718</u>	<u>159,953</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	33,738	48,206
Financial Liabilities	10	-	638
TOTAL CURRENT LIABILITIES		<u>33,738</u>	<u>48,844</u>
TOTAL LIABILITIES		<u>33,738</u>	<u>48,844</u>
NET ASSETS		<u>\$ 145,980</u>	<u>\$ 111,109</u>
EQUITY			
Retained Profits		50,895	16,024
Reserves	11	<u>95,085</u>	<u>95,085</u>
TOTAL EQUITY		<u>\$ 145,980</u>	<u>\$ 111,109</u>

The accompanying notes form part of this financial report.

BIODYNAMIC AGRICULTURE AUSTRALIA LTD
ABN 42 588 901 426

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2008

	Note	Reserves	Retained Earnings
		\$	\$
Balance 1st July 2007		107,828	29,497
Loss attributable to the members of the company			(23,923)
Transfers to and From Reserves		(12,743)	12,743
Prior Year Adjustments			(2,293)
Balance at 31 December 2007		\$ 95,085	\$ 16,024
Profit attributable to the members of the company			34,871
Transfers to and From Reserves			-
Balance at 31 December 2008		\$ 95,085	\$ 50,895

The accompanying notes form part of this financial report.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	12 Months Ended 31-Dec-08 \$	6 Months Ended 31-Dec-07 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		678,405	312,453
Payments to suppliers		(642,319)	(351,847)
Interest received		1,388	1,514
Net cash provided by/(used in) operating activities	13(a)	<u>37,474</u>	<u>(37,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		<u>(11,810)</u>	<u>(11,241)</u>
Net cash used in investing activities		<u>(11,810)</u>	<u>(11,241)</u>
Net increase/(decrease) in cash held		25,664	(49,121)
Cash & cash equivalents at the beginning of the financial year		<u>37,712</u>	<u>86,833</u>
Cash & cash equivalents at the end of the financial year	13 (b)	<u>\$ 63,376</u>	<u>\$ 37,712</u>

The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Biodynamic Agriculture Australia Ltd as an individual entity. Biodynamic Agriculture Australia Ltd as a company limited by guarantee is incorporated in New South Wales under the Corporations Act 2001.

The financial report of Biodynamic Agriculture Australia Ltd complies with all Australian equivalents to International Financial Reporting Standards (AeIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

The directors consider that the company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(b) 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 impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Financial Instruments

Recognition

Financial instruments are initially measured at cost 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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company 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.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the directors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

(d) Impairment of Assets

At each reporting date, the company reviews the carrying values of its 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled with one year have been measured at the amounts expected to be paid when the liability is settled, plus related on - cost. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(f) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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

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

(i) Goods and Services Tax

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 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The reporting period changed during the 2007 financial year and as such the comparative figures are representative of a 6 month period and the current figures are representative of a 12 month period. The company previously was incorporated under the New South Wales Associations Incorporation Act 1984 and has transferred its incorporation under the provisions of the Corporation Act 2001.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments 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 company.

Key estimates — Impairment

The directors assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

	12 Months Ended 31-Dec-08 \$	6 Months Ended 31-Dec-07 \$
Note 2: Revenue		
Sales Revenue	466,395	194,435
Donations	981	3,100
Memberships	53,538	29,112
Annual Raffle	4,820	-
Interest income	1,388	1,514
Miscellaneous Income	2,569	2,172
Workshops and Seminars	105,607	95,510
Other Income	30,433	15,496
Total revenue	<u>\$ 665,731</u>	<u>\$ 341,339</u>
Note 3: Auditors' Remuneration		
(b) Remuneration of auditor:		
- audit or review of financial report	5,000	3,500
Note 4: Cash and Cash Equivalents		
Cash on Hand	403	747
Cash at Bank	62,973	37,603
	<u>\$ 63,376</u>	<u>\$ 38,350</u>
Note 5: Trade and Other Receivables		
Accounts Receivable	37,703	51,765
	<u>\$ 37,703</u>	<u>\$ 51,765</u>
Note 6: Inventories		
Inventory: Preparations	8,367	8,240
Inventory: Publications	29,534	17,625
	<u>\$ 37,901</u>	<u>\$ 25,865</u>
Note 7: Other Current Assets		
Prepayments	-	1,604
Other Current Asset -GST Paid	1,534	-
	<u>\$ 1,534</u>	<u>\$ 1,604</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

	12 Months Ended 31-Dec-08 \$	6 Months Ended 31-Dec-07 \$
Note 8: Property, plant & equipment		
Field Equipment	65,456	62,481
Less: Accumulated depreciation	(40,553)	(32,742)
	<u>24,903</u>	<u>29,739</u>
Office Equipment	50,467	41,630
Less: Accumulated depreciation	(36,166)	(29,000)
	<u>14,301</u>	<u>12,630</u>
Total Fixed Assets	<u>\$ 39,204</u>	<u>\$ 42,369</u>

(a) Movements in Carrying Amounts

	Field Equipment	Office Equipment	Total
Balance at the beginning of the year	29,739	12,630	42,369
Additions	2,975	8,835	11,810
Disposals	-	-	-
Revaluation increments/decrements	-	-	-
Depreciation expense	(7,811)	(7,164)	(14,975)
Capitalised borrowing costs and depreciation	-	-	-
Carrying amount at the end of the year	<u>\$ 24,903</u>	<u>\$ 14,301</u>	<u>\$ 39,204</u>

Note 9: Trade and Other Payables

CURRENT		
Accounts Payable	19,891	14,262
Business Credit Cards	1,171	78
Other current liabilities -GST	-	4,474
Payroll Liabilities	12,676	29,392
	<u>\$ 33,738</u>	<u>\$ 48,206</u>

Note 10: Financial Liabilities

Bank Overdraft	-	638
	<u>\$ -</u>	<u>\$ 638</u>

Note 11: Reserves

Equipment and Replacement	53,985	53,985
R&D and Promotion - FRRR	41,100	41,100
	<u>\$ 95,085</u>	<u>\$ 95,085</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

Note12: Segment Reporting

The company operates predominantly in one business and the geographical segment being the provision of Biodynamic methods of farming.

12 Months Ended 31-Dec-08	6 Months Ended 31-Dec-07
\$	\$

Note 13: Cash Flow Information

(a) Reconciliation of cash flow from operations with profit (loss) from ordinary activities after income tax

Profit (loss) from ordinary activities after income tax	34,871	(23,923)
Non cash flows in profit (loss) from ordinary activities:		
Depreciation	14,975	6,079
Reserves	-	(4,586)
Reserves and Prior Period Adjustment	-	2,291
Changes in Assets and Liabilities:		
(Increase)/decrease in receivables	14,062	(27,373)
(Increase)/decrease in inventories	(12,036)	(4,955)
(Increase)/decrease in prepayments	1,604	(1,149)
Increase/(decrease) in payables & accruals	(16,002)	15,735
Cash flows from operations	<u>\$ 37,474</u>	<u>\$ (37,880)</u>

(b) Cash and cash equivalents

Cash on Hand	63,376	38,350
Bank Overdraft	-	(638)
	<u>\$ 63,376</u>	<u>\$ 37,712</u>

Note 14: Company Details

The Company was incorporated on 30 April 2007 and is domiciled in Australia as a company limited by guarantee.

The company was previously an incorporated association under the New South Wales Association Incorporation Act 1984 and transferred the incorporation under the provisions of the Corporations Act 2001.

The registered office and principal place of business of the company is:

Biodynamic Agriculture Australia Limited
P O Box 54
Bellingen NSW 2454

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

Note 15: Financial Instruments

(a) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable, accounts payable and leases.

The Directors consider that the company is not materially exposed to interest rate risk, foreign currency risk, liquidity risk, credit risk or price risk through its financial instruments. The Directors regularly review the position and performance of the company's financial instruments in order to limit these risks.

(b) Interest Rate Risk

The company's exposure 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 and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating interest rate		Non interest bearing		Total	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	2.51%	2.51%	63,376	38,350	-	-	63,376	38,350
Receivables	0.00%	0.00%	-	-	37,703	51,765	37,703	51,765
Total			63,376	38,350	37,703	51,765	101,079	90,115
Financial Liabilities:								
Overdraft			-	-	-	638	-	638
Payables	0.00%	0.00%	-	-	33,738	48,208	33,738	48,208
Total			-	-	33,738	48,846	33,738	48,846

(c) Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. For other assets and other liabilities the net fair value approximates their carrying value.

Note 16: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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

Anton Van Klopper
 Ulli Spranz
 Ross MacDonald
 Ian Cuming
 Phil Sedgman
 Maaike Steiner
 Barbra Hedley

Income Received or due to and receivable by all directors from the company and any related bodies corporate, including insurance premiums to indemnify liabilities while acting as director.

	2008	2007
	\$	\$
	1,400	3,727

Number of directors whose income from the company and any related bodies corporate was within the following bands:

\$0-\$9999
 \$10,000 - \$19,999
 \$20,001- \$29,999

	No.	No.
\$0-\$9999	1	1
\$10,000 - \$19,999	0	0
\$20,001- \$29,999	0	0

The amounts are disclosed in aggregate only as the Directors believe the provision of full particulars to be unreasonable.

TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. the financial statements and notes, as set out in pages 2 to 16, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2008 and of the performance for the year ended on that date of the company;

2. in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Ulli Spranz
Chairperson

Maaïke Steiner
Director

Dated 14 May 2009

BIODYNAMIC AGRICULTURE AUSTRALIA LTD
ABN 42 588 901 426

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIODYNAMIC
AGRICULTURE AUSTRALIA LTD**

Report on the financial report

We have audited the accompanying financial report of Biodynamic Agriculture Australia Ltd which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity 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 the company 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.

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. 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.

Lismore
53 Carrington Street
PO Box 523
Lismore NSW 2480
T 02 6621 9222
F 02 6621 9385

Grafton
82 Victoria Street
PO Box 13
Grafton NSW 2460
T 02 6642 7555
F 02 6642 7993

Coffs Harbour
107 West High Street
PO Box 8
Coffs Harbour NSW 2450
T 02 6652 3211
F 02 6651 4301
info@whkcamerons.com.au

BIODYNAMIC AGRICULTURE AUSTRALIA LTD
ABN 42 588 901 426

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIODYNAMIC
AGRICULTURE AUSTRALIA LTD**

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Biodynamic Agriculture Australia Ltd on 11 December 2008, would be in the same terms if provided to the directors as at the date of this

Auditor's Opinion

In our opinion:

- a. the financial report of Biodynamic Agriculture Australia Ltd is in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 31 December 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



WHK Rutherfords
K N Rushforth
Registered Company Auditor (Number 4367)
107 West High Street
COFFS HARBOUR NSW 2450

Dated 14 May 2009

INCOME & EXPENDITURE STATEMENT

PERIOD ENDING 31 DECEMBER 2008

	12 Months Ended	6 Months Ended
	31-Dec-08	31-Dec-07
	\$	\$
Income		
Annual Raffle	4,820	-
Donations Received	981	3,100
Interest Received	1,388	1,514
Freight & Cartage	7,132	5,108
Memberships	53,538	29,112
Miscellaneous Income	2,569	2,172
Newsleaf	49,088	18,817
Packaging & Handling	7,753	3,443
Postal Charges	15,548	6,890
Preparation Sales	320,797	142,275
Publication Sales	96,510	33,343
Unclaimed Deposits	-	55
Workshop and Seminars	105,607	95,510
Total Income	<u>665,731</u>	<u>341,339</u>
Expenditure		
Bank Charges	2,993	1,482
Computer Expenditure	5,077	2,141
Council Expenses	6,742	8,708
Depreciation	14,975	6,079
Donations	110	-
Equipment - Purchase, Repairs & Maintenance	3,576	1,082
Freight	7,505	6,752
Insurance	8,419	6,048
Postage	26,974	13,904
Promotion & Advertising	23,644	18,891
Salaries & Contractors	262,156	136,046
Superannuation	20,993	8,406
Subscriptions, Licenses Permit	795	542
Write off - bad debt and stock loss	1,818	273
Printing & Photocopying	20,927	14,708
Professional Fees	11,650	5,294
Rent & Venues	27,306	10,440
Telephone & Communications	12,053	5,773
Supplies & Stock Purchases	127,898	68,630
Travel & Accommodation	45,248	50,062
Total Expenditure	<u>630,860</u>	<u>365,262</u>
Operating Profit/(Loss)	<u>\$ 34,871</u>	<u>\$ (23,923)</u>