VEALLS LIMITED

ACN 004 288 000

Registered Office
1st Floor 484 Toorak Road
Toorak Vic 3142
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26 February 2010

The Manager
Australian Stock Exchange
E-Lodgements

Dear Sir / Madam,

HALF-YEAR FINANCIAL REPORT

A copy of the company's Half-Year Financial Report for the period ended 31 December 2009 follows.

Yours faithfully

Duncan Veall
Company Secretary

Appendix 4D
Half yearly report

Rule 4.2A.3

Name of entity:	ABN Reference:
VEALLS LIMITED	**39 004 288 000**

Current period	Previous corresponding period
Half year 31 December 2009	Half year 31 December 2008

Results for announcement to the market

Key Information	**Current period** **$A'000**	Previous corresponding period $A'000		% Change		Amount of change $A'000
Revenues from ordinary activities	13,387	13,707	Down	2.3 %	Down	320
Profit (loss) from ordinary activities after tax attributable to members	4,517	5,705	Down	20.8%	Down	1,188
Net profit (loss) for the period attributable to members	4,517	5,705	Down	20.8 %	Down	1,188

Dividends			Amount per security	Franked amount per security at 30% tax
	Record Date:	15 April 2010		
Interim dividend	**Payable:**	30 April 2010		
Preference shares			0.35 c	0.35 c
Income shares			4.90 c	4.90 c
No amount of foreign sourced dividend is included in the distribution.				

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary (Capital) security	$9.84	$9.73

Compliance Statement

This report should be read in conjunction with the annual financial report for the year ended 30 June 2009.

.... Date: 26th February 2010

(Director)

Ian Raymond Veall

Vealls Limited

ABN 39 004 288 000

Half-Year Financial Report

For the half-year ended 31 December 2009

Registered Office
1st Floor
484 Toorak Road
Toorak Vic 3142

DIRECTORS' REPORT

Your directors present their report for the half-year ended 31 December 2009.

DIRECTORS

The names of each person who was a director of the company during the period 1 July 2009 to the date of this report are as shown below. Each director was in office for the whole period.

<u>Name</u>

Ian Raymond Veall	Executive (Chairman)
Martin Charles Veall	Executive
Duncan Reginald Veall	Executive
Robert Sidney Righetti	Non-Executive

OPERATING RESULTS:

Revenue

Total revenue for the half-year was $14.288m, of which 90% came from Cardrona Ski Resort in New Zealand.

Profit

Consolidated profit from ordinary activities was $4.517m after income tax expense of $1.840m.

Cash Flows

Net Cash Flow was $5.359m.

Summary

Compared with the previous year's results there were decreases in each of the above sections, but this is largely due to the inclusion of items in the 2008 period; such as, property revaluation, the sale of Rippling Water Station and unrealised foreign exchange gains that were not repeated in 2009. The underlying operations were stable and well maintained in all other respects.

DIVIDENDS:

Interim dividends of 0.35 cents on Preference shares and 4.90 cents on Income shares have been declared payable on 30 April 2010. The dividends are fully franked at a tax rate of 30%.

REVIEW OF OPERATIONS:

Skifield Activities

The 2009 season at Cardrona Ski Resort in New Zealand commenced with heavy snow falls and conditions remained favourable for the rest of the season. Operations were successful at all levels and the management and staff are to be commended for their efforts. Both revenues and the financial outcomes in New Zealand dollar terms showed increases on the previous year.

Investment Activities

Income was derived from interest on deposits which continued to increase, reaching AUD 39.422m at 31 December 2009. Interest rates declined to very low historical levels and this had substantial effects on income. There were only minor changes in the composition of deposit currencies held in AUD, NZD, USD, SGD and Euro.

Agricultural Activities

With the sale of Rippling Water Station, near Jingellic, NSW operations have continued at Clear Springs Station primarily in cattle breeding. Seasonal conditions were good with stock numbers of 2,439 head being maintained at balance date.

Forestry Activities

The French Oak forest (Leyde) near Moulins, France continued as expected under its management plan, but suffered an adverse foreign currency translation of Euro / AUD values.

EVENTS AFTER 31 DECEMBER 2009

While economic conditions generally have stabilised the prospects for a return to better times remain unclear. However, it is likely on balance that the Group's Operations could show improvement in the future. Nevertheless, the seasonality and weather dependent nature of both the skifield and agricultural operations are major factors to bear in mind.

Signed in accordance with a resolution of the directors.

Ian Raymond Veall Director	Robert Sidney Righetti Director

Melbourne, 26 February 2010

Vealls Limited

ABN 39 004 288 000

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Economic Entity	
	31.12.2009 $000	**31.12.2008 $000**
Revenue	13,387	13,707
Other Income	467	4,402
Raw materials and consumables used	(1,143)	(1,267)
Advertising and Promotion	(55)	(275)
Depreciation and amortisation expense	(906)	(879)
Employee benefits expense	(3,137)	(3,221)
Unrealised Foreign Exchange Gains/(Losses)	(441)	-
Increment /(Decrement) in value of Investments	21	(1,400)
Increment /(Decrement) in value of livestock	414	-
Pasture improvement	(18)	(24)
Travelling	(216)	(241)
Rates and taxes	(45)	(48)
Rent	(51)	(43)
Repairs and maintenance	(360)	(495)
Insurance	(255)	(215)
Skifield preparation & Events	(155)	(387)
Tender & selling expenses	-	(76)
Light, power and telephone	(362)	(252)
Professional costs	(103)	(68)
Freight	(31)	(24)
Listing & Share Reg Fees	(18)	(15)
Merchant & Bank Fees	(171)	(161)
Other Expenses	(465)	(352)
Profit before income tax expense	**6,357**	**8,666**
Income tax expense	(1,840)	(2,961)
Total Comprehensive Profit attributable to the members of the parent entity	**4,517**	**5,705**
Basic earnings per Capital share	49.39c	62.81c
Diluted earnings per Capital share	49.39c	62.81c

The accompanying notes form part of these financial statements.

Vealls Limited

ABN 39 004 288 000

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	Economic Entity	
	31.12.2009 $'000	**30.06.09 $'000**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	39,422	33,958
Trade and other receivables	294	4,895
Inventories	81	215
Agricultural & biological assets	1,428	1,285
TOTAL CURRENT ASSETS	**41,225**	**40,353**
NON-CURRENT ASSETS		
Investment Property	14,474	14,600
Other financial assets	178	182
Property, plant and equipment	34,544	35,140
Deferred tax assets	96	92
Agricultural & biological assets	3,093	3,356
TOTAL NON-CURRENT ASSETS	**52,385**	**53,370**
TOTAL ASSETS	**93,610**	**93,723**
CURRENT LIABILITIES		
Trade and other payables	184	3,519
Current tax liabilities	1,544	2,707
Short-term provisions	269	256
TOTAL CURRENT LIABILITIES	**1,997**	**6,482**
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,919	2,920
TOTAL NON-CURRENT LIABILITIES	**2,919**	**2,920**
TOTAL LIABILITIES	**4,916**	**9,402**
NET ASSETS	**88,694**	**84,321**
EQUITY		
Issued capital	1,235	1,235
Reserves	31,309	31,275
Retained earnings	56,150	51,811
TOTAL EQUITY	**88,694**	**84,321**

The accompanying notes form part of these financial statements.

Vealls Limited

ABN 39 004 288 000

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2009

	Share Capital	Retained Profits	General Reserve	Asset Replacement Reserve	Asset Revaluation Reserve	Asset Realisation Reserve	Foreign Currency Translation	Total
	$000	$000	$000	$000	$000	$000	$000	$000
Balance at *1 July 2008*	1,235	48.464	5,981	4,619	12,515	10,425	(3,093)	80,146
Profit attributable to members of parent entity		5,705						5,705
Gain (loss) on translation of overseas controlled entities							2,805	2,805
Sub-total	1,235	54,169	5,981	4,619	12,515	10,425	(1,008)	87,936
Dividends paid or provided for		(175)						(175)
Balance at *31 December 2008*	**1,235**	**53,994**	**5,981**	**4,619**	**12,515**	**10,425**	**(1008)**	**87,761**
Balance at *1 July 2009*	1,235	51,811	5,981	4,619	10,948	11,992	(2,265)	84,321
Profit attributable to members of parent entity		4,517						4,517
Gain (loss) on translation of overseas controlled entities							34	34
Sub-total	1,235	56,328	5,981	4,619	10,948	11,992	(2,231)	88,872
Dividends paid or provided for		(178)						(178)
Balance at *31 December 2009*	**1,235**	**56,150**	**5,981**	**4,619**	**10,948**	**11,992**	**(2,231)**	**88,694**

Vealls Limited

ABN 39 004 288 000

CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Economic Entity	
	31.12.2009 $000	**31.12.2008 $000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	14,679	15,676
Payments to suppliers and employees	(10,858)	(12,972)
Income tax (paid) / received	(3,002)	(125)
Net cash provided by (used in) operating activities	819	2,579
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	708	1,082
Dividends received	2	2
Purchase of property, plant and equipment	(711)	(450)
Proceeds from sale of property, plant and equipment	4,719	3,090
Net cash provided by (used in) investing activities	4,718	3,724
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(178)	(175)
Net cash provided by (used in) financing activities	(178)	(175)
Net increase/(decrease) in cash held	5,359	6,128
Add opening cash bought forward 1 July	33,958	22,762
Effects of exchange rate changes on cash	105	1,712
Cash at *31 December 2009*	**39,422**	**30,602**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: BASIS OF PREPARATION

This general purpose financial report for the half-year ended 31 December 2009 has been prepared in accordance with AASB134: Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 209 and considered together with any public announcements made by Vealls Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of compilation are the same as those adopted in the most recent annual financial report apart from the adoption of AASB8: Operating Segments which has not had any effect on the financial position or performance of the Group.

Accounting Standards not previously applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- The replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of “other comprehensive income”. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- The adoption of the single statement approach to the presentation of the statement of comprehensive income;
- Other financial statements are renamed in accordance with the Standard.

(a) Principles of Consolidation

A controlled entity is any entity Vealls Limited has power to control the financial and operating policies of the entity so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

NOTE 1: BASIS OF PREPARATION

(b) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which are the parent entity's functional and presentation currencies.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

When a gain or loss on a non-monetary item is recognised in equity, the exchange component of that gain or loss shall be recognised directly in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.

Income and expenses are translated at average exchange rates for the period.

Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes 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-borrowings in current liabilities on the balance sheet.

(d) Inventories

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

(e) Agricultural Assets

Agricultural assets are measured at their fair value less point of sale costs on initial recognition and at each reporting date. Fair value of cattle and mixed age forest timber is determined at current market price. The aggregate gain or loss arising on initial recognition and from changes in fair value less estimated point of sale costs is recognized as revenue or expense of the period.

NOTE 1: BASIS OF PREPARATION

(f) Income Tax

The charge for current income tax expense is based on the profit for the period adjusted for any non-assessable or disallowable items. It is calculated using tax rates that have been enacted or are substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Vealls Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. Each entity in the group recognises its own current and deferred tax liabilities as a separate tax payer within the group, except for any deferred tax assets resulting from unused tax losses and tax credits which are immediately assumed by the parent entity. The current tax liability and tax loss of each entity is assumed by the parent entity. The group notified the ATO that it had formed an income tax consolidated group to apply from 1 July 2002.

(g) 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.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on annual valuations by the directors or external independent valuers.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Increases and decreases in the carrying amount arising on revaluation of land and buildings are credited to the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: BASIS OF PREPARATION

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 the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity 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.

Major depreciation periods are:	**31 December 2009**	**30 June 2009**
Freehold buildings	40 years	40 years
Plant and equipment	5 to 15 years	5 to 15 years

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 and 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.

(h) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, net of includes transaction costs, other than financial assets measured at fair value through profit and loss, which are measured at fair value, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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 requirement of AASB 139: Financial Instruments: Recognition & Measurement. 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 group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

NOTE 1: BASIS OF PREPARATION

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories and financial assets that have been designated as available-for-sale investments. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognized 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 group 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 recognized in the income statement.

(i) Impairment of Assets

At each reporting date, the group 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 asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

(j) Asset replacement reserve

Amounts set aside from retained profits to this reserve provide for escalating cost of replacing certain items of plant and equipment employed in the ski field operations.

(k) Asset realisation reserve

Amounts of previous revaluation increments are transferred from asset revaluation reserve to asset realization reserve in respect to disposals in the current period for non-current assets.

(l) 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 within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits that are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

NOTE 1: BASIS OF PREPARATION

(m) 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 results and that outflow can be reliably measured.

(n) Revenue

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

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

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

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).

(o) Investment Property

Investment properties comprise interests in land and buildings, held for the purpose of long term capital growth.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair value. Fair value is determined by reference to valuations carried out at each balance date. These valuations take the form of either a director's valuation or independent valuation (which are carried out at least every 3 years). The fair value model is determined as the amount the investment properties would be sold in an arms length transaction between willing and knowledgeable parties. Gains and losses arising from changes in fair value are recognised in the income statement in the period they arise.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant taxation authority. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: BASIS OF PREPARATION

(r) Comparative Figures

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

(s) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

(t) Critical Accounting Estimates and Judgements

The directors 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Economic Entity	
	31.12.2009 $000	**31.12.2008 $000**
NOTE 2: DIVIDENDS PAID OR PROVIDED FOR ON SHARES		
a) *Dividend paid during the half year*		
Previous year dividends paid on 31 October 2009		
Unfranked dividend on Preference shares of 0.35 cents per share (2008: unfranked 0.35 cents per share)	1	1
Unfranked dividend on Income shares of 4.80 cents per share (2008: unfranked 4.70 cents per share)	133	130
Unfranked dividend on Capital shares of 0.50 cents per share (2008: unfranked 0.50 cents per share)	44	44
	178	175
b) *Dividend proposed and not recognised as a liability*		
Payable 30 April 2010		
Franked dividend on Preference shares 0.35 cents per share (2009: unfranked 0.35 cents per share)	1	1
Franked dividend on Income shares of 4.90 cents per share (2009: unfranked 4.80 cents per share)	136	133
	137	134

The dividend payments proposed will be 100% franked at the rate of 30%.

c) Franking credit balance:
The franking account balance as at 31 December 2009 (2008: nil) was $2,812,000. The impact of paying the proposed dividend on the franking account will be $59,000.

NOTE 3: SEGMENT INFORMATION

As this is the first time the group has adopted AASB8: Operating Segments the accounting policies have been reviewed as follows:

Identification of reportable segments.

The Group has identified its operating segments based on internal reports used by management and the Board of Directors in assessing performance and in determining the allocation of resources. The reportable segments are based on aggregated operating segments determined by the nature of the principle activities being undertaken – namely, skifield, investment and agriculture.

The accounting policies used by the Group are the same as those contained in Note 1 to the accounts and in the prior period except for income tax expense that is calculated on the segment operating net profit (loss) using a notional charge of 30% (2008:30%) No effect is given for taxable or deductable temporary differences.

The following table represents revenue and profit information for reportable segments for the half-year ended 31 December 2009 and 2008.

31 December 2009					**31 December 2008**			
	Skifield	Investments	Agriculture	Total	Skifield	Investments	Agriculture	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Segment Revenue								
Sales to external customers	12,614		349	12,963	12,934		773	13,707
Other revenue from external customers	90		17	107	22		16	38
Other revenue	138	444	636	1,218	166	2,177	2,021	4,364
Total segment revenue (Comprehensive income)	**12,842**	**444**	**1,002**	**14,288**	**13,122**	**2,177**	**2,810**	**18,109**
Segment Result:	6,116	(146)	387	6,357	5,944	652	2,070	8,666
Income Tax Expense at 30%				1,907				2.600
Net profit (loss) after tax				4,450				6,066

	Economic Entity	
	31.12.2009	**31.12.2008**
	$'000	**$'000**
NOTE 4: CASH AND CASH EQUIVALENTS		
For the purpose of the half year statement of cash flows, cash and cash equivalents comprised –		
Cash at bank and in hand	63	105
Short term deposits	39,359	30,497
	39,422	**30,602**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events after reporting date that require disclosure in the financial statements.

NOTE 6: CAPITAL EXPENDITURE COMMITMENTS

After reporting date Cardrona Ski Resort Limited in New Zealand has entered into a commitment for the installation of plant & equipment and the opening up of an additional ski area for an estimated amount of NZD 1.5m.

Vealls Limited

ABN 39 004 288 000

DIRECTORS' DECLARATION

In the directors' opinion:

(a) The financial statements and notes are in accordance with the Corporations Act 2001, including:

 (i) Section 304 (compliance with accounting standards and regulations); and

 (ii) Section 305 (true and fair)

(b) 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.

Ian Raymond Veall	***Robert Sidney Righetti***
Director	***Director***

Dated this 26th day of February 2010

Independent Review Report

to the Members of Vealls Limited

Accru+
Danby Bland Provan

We have reviewed the accompanying half-year financial report of Vealls Limited and controlled entities, which comprises the consolidated balance sheet as at 31 December 2009, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies and other explanatory notes and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of Vealls Limited's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Vealls Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vealls Limited is not in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Danby Bland Provan & Co

DANBY BLAND PROVAN & CO

Gregg W

G D WINNETT - Partner

Dated 26 February 2010

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