Buderim Group Limited

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ABN 68 010 978 800

ASX Code: BUG

Appendix 4E
Listing Rule 4.3A

Preliminary Final Report

Reporting Period: 1 July 2018 to 30 June 2019

Previous Corresponding Period: 1 July 2017 to 30 June 2018

Results for announcement to the market

Summary of financial information

Comparison to previous corresponding period	Increase / Decrease	% $'000	To $'000
Revenue from ordinary activities from continuing operations	Increase	27%	**71,802**
	Increase	15,389	**71,802**
Profit / (loss) from ordinary activities from continuing operations after tax attributable to members	Increase	n/a	**(230)**
	Increase	16,276	**(230)**
Profit / (loss) for the period attributable to members from continuing operations	Increase	n/a	**(235)**
	Increase	16,485	**(235)**

Refer to the attached consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and significant notes identified in the consolidated notes to the financial statements for further detail of the aforementioned results.

Dividends (Distributions)

No dividend has been paid or declared for the years ended 30 June 2019 and 30 June 2018.

No dividend or distribution reinvestment plans were in operation during the year.

A brief explanation of any of the figures noted above to enable the figures to be understood

Refer to Buderim Group Limited Directors' Report and Financial Statements for commentary on the above results.

Net tangible assets

	30/06/2019	30/06/2018
Net tangible asset backing per ordinary share	**$0.48**	$0.40
Number of shares on issue at 30 June	**86,021,860**	86,021,860

Details of entities over which control has been gained or lost

No change.

Details of associates and joint venture entities

None.

Accounting standards

The group has not early adopted any accounting standards that are issued but not yet effective.

Earnings per share

	30/06/2019	30/06/2018
Net profit/(loss) after tax attributable to ordinary shareholders of parent ($'000)	**(235)**	(16,720)
Weighted average number of ordinary shares on issue	**86,021,860**	78,121,580
Basic and diluted earnings per share (cents per share)	**(0.27)**	(21.40)

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Buderim Group Limited has potential ordinary shares, in the form of convertible notes and options, which are antidilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share. Refer to note 8 on page 45 of the consolidated financial statements for further information.

Results for announcement to the market

Results of significant segments of the business

Refer to note 5 of the attached notes to the consolidated financial statements for results of operating segments.

Discussion on trends in performance, key factors affecting the results in the period or those likely to affect results in the future

Refer to the attached Chairman's Message, Chief Executive Officer's Review and Directors' Report for discussion.

Audit Status

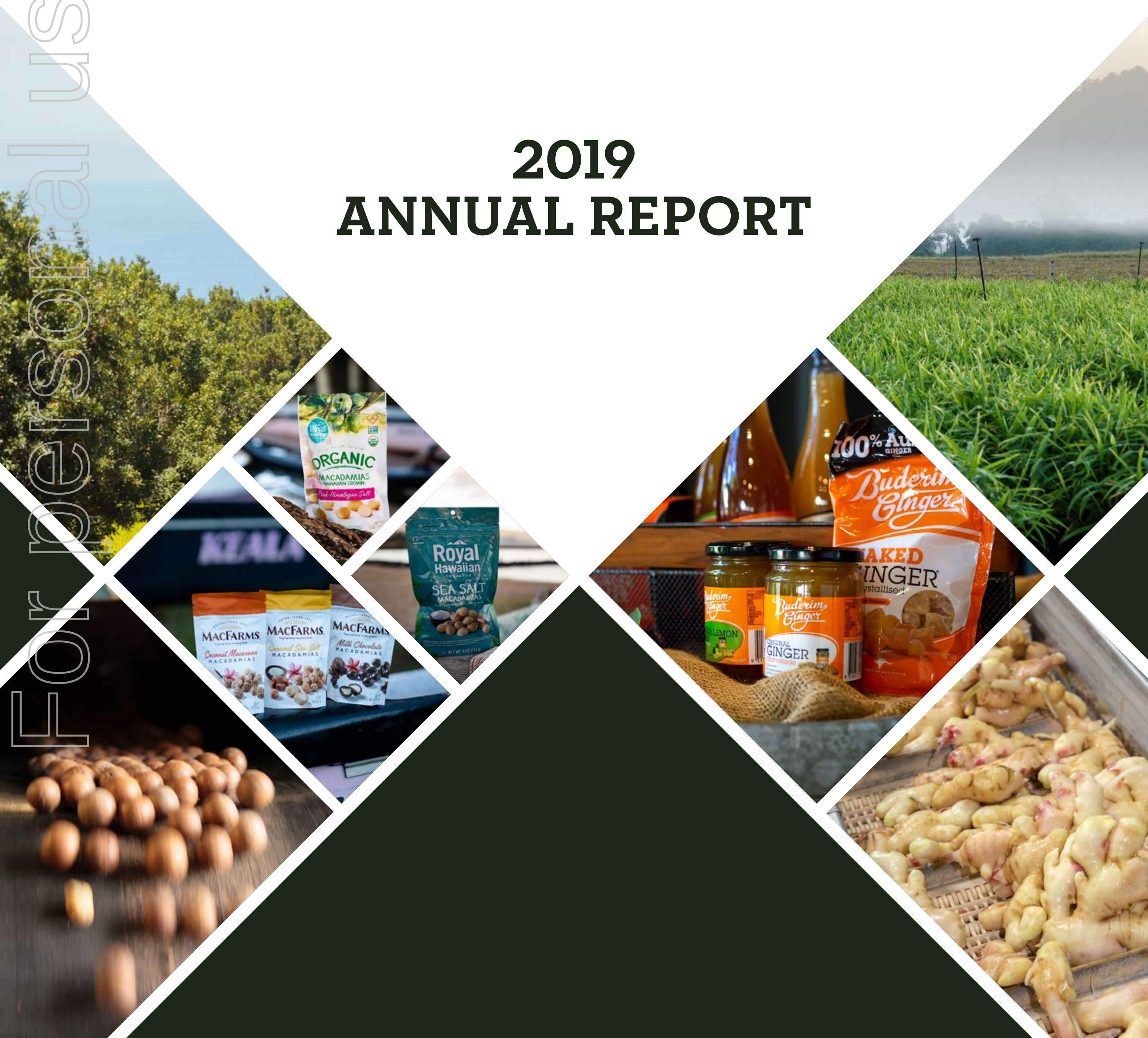
This preliminary report is based on the financial report which has been audited. Refer to page 73 of the attached annual report

Nicole Nolan
Company Secretary
Brisbane, 30 August 2019

Buderim Group

Buderim Ginger · frespac · The Ginger Factory · MacFarms · Royal Hawaiian Orchards

2019 ANNUAL REPORT



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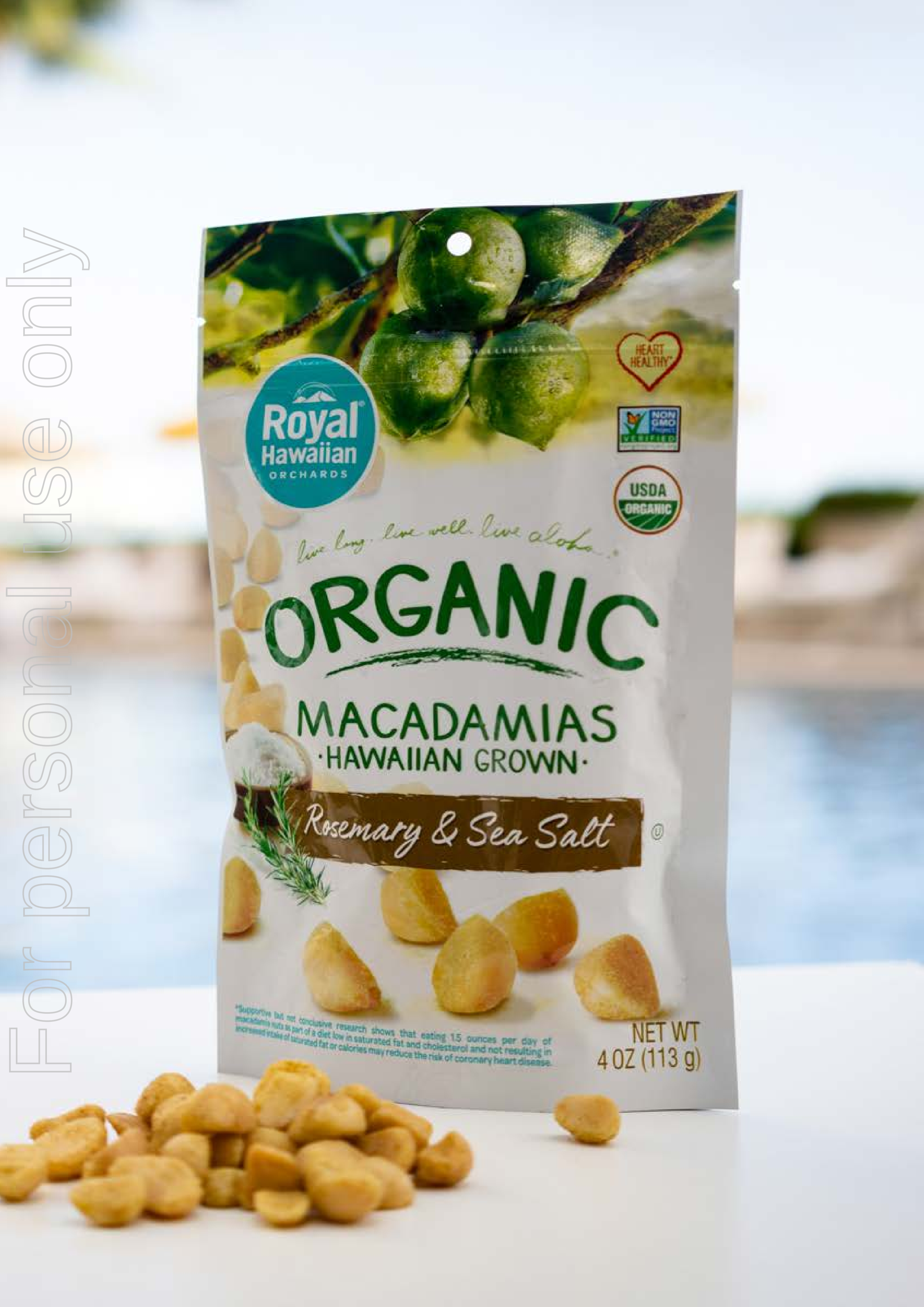
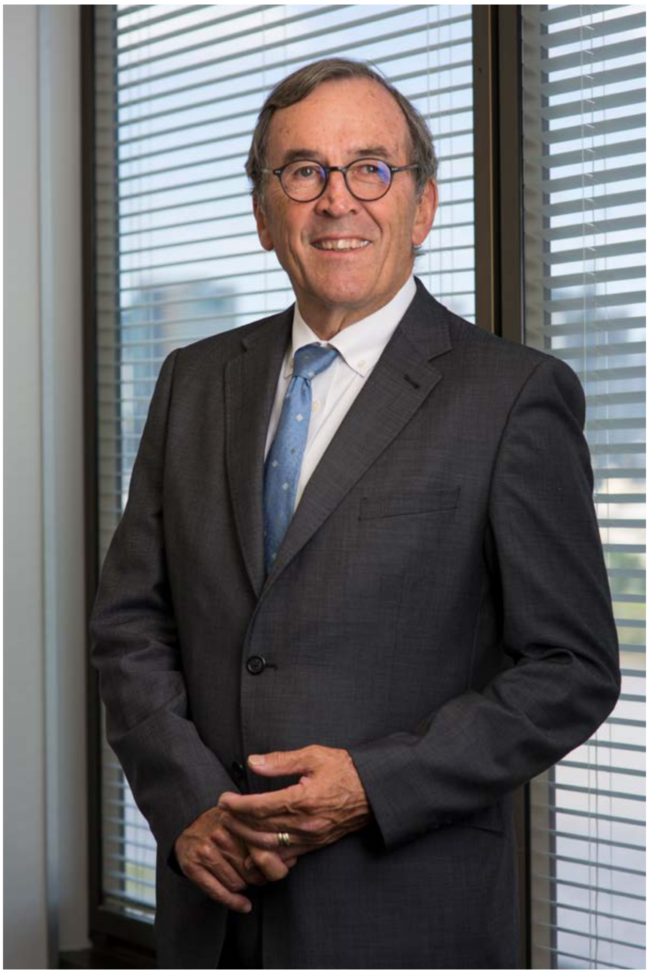

Royal Hawaiian
ORCHARDS
HEART HEALTHY
NON GMO Project VERIFIED
USDA ORGANIC
live long. live well. live aloha.
ORGANIC
MACADAMIAS
·HAWAIIAN GROWN·
Rosemary & Sea Salt
*Supportive but not conclusive research shows that eating 1.5 ounces per day of macadamia nuts as part of a diet low in saturated fat and cholesterol and not resulting in increased intake of saturated fat or calories may reduce the risk of coronary heart disease.
NET WT
4 OZ (113 g)

CHAIRMAN'S MESSAGE

Dear Shareholders,



I am very happy to report that, the Group has seen a $13.92 million turnaround in pre-tax earnings for the year, returning the Group to a modest Net Profit before Tax. Underlying earnings are such that we are confident that the Buderim Group now has a sustainable platform for the future.

The turnaround has been driven by the benefits of the first full year of the transformative Royal Hawaiian Orchards retail business acquisition, significantly improved profitability in the Ginger Division and growth in the Tourism Division. Importantly, all business units reported a profitable year.

Through the Royal Hawaiian Orchards (RHO) acquisition, we have established ourselves as a significant player in the USA macadamia market, tapping into the growing demand for 'healthier for you' snacking options, while our orchard in Hawaii has also performed well. The latest independent valuation of the orchard has confirmed the underlying asset value of the macadamia business. The Macadamia Division is our largest business unit by revenue and earnings.

> **"WE HAVE ESTABLISHED OURSELVES AS A SIGNIFICANT PLAYER IN THE USA MACADAMIA MARKET, TAPPING INTO THE GROWING DEMAND FOR 'HEALTHIER FOR YOU' SNACKING OPTIONS."**

During the year, a Strategic Review of the Ginger Division identified a number of opportunities in the health area as well as capital projects to reduce productions costs. However the Board decided in December to postpone significant capital investment options in Ginger highlighted by the Review, and instead, focused resources in the near term on the Macadamia Division given its superior prospective returns.

Nevertheless, close management of the Ginger Division has led to a creditable improvement in financial performance, benefitting from a focus on reshaping our offering and building strategic partnerships in a challenging market. We expect this trend to continue. The Board will re-consider the recommendations of the review when funding permits.

Tourism continues to perform well and attract increasing numbers of visitors to The Ginger Factory, including from China.

During the year Albert Tse resigned as a Director and I would like to thank Albert for his valuable contribution to the Board.

Finally, I would like to thank the Board, management and all staff for their efforts this year and to express my appreciation to shareholders for their continued support.

Guy Cowan
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

Chief Executive Officer's Review

The 2019 financial year saw a significant turnaround from a $13.83 million prior year Net Loss before Tax to reporting a Net Profit Before Tax of $91,000. The turnaround was driven by strong growth in the Macadamia segment and improved outcomes in the Ginger and Tourism segments as a result of focussed efforts to grow distribution and revenues, reduce costs and improve returns. All business units delivered positive and much improved earnings.

Significant activities during the year included:-

- Launching the Royal Hawaiian Orchards organics range and the MacFarms branding refresh.
- Increasing macadamia inventories to support sales growth.
- Acquiring equipment and trialling preparation of the company-owned macadamia orchard floor for mechanical harvesting.
- A Strategic Review of the Ginger Division identified opportunities for new products and to improve performance.
- Ceasing operations at the Morwell bottling factory.
- Extension of the Convertible Note maturity date until 30 September 2020.

The Group recorded a Net Loss after Tax from continuing operations, of $(0.23) million compared with a $(16.51) million loss last year.

SUMMARY OF GROUP RESULTS FROM CONTINUING OPERATIONS	30/06/19 $'000	30/06/18 $'000
Revenue (Sale of Goods)	71,802	56,413
EBITDA[1]	5,154	(9,060)
EBIT[1]	4,119	(11,050)
Net Profit/(Loss) Before Tax	91	(13,831)
Net Loss After Tax	(230)	(16,506)

1 Refer to Shareholders Returns and Performance Measurements on Page 11 of the Directors Report for definition.

Total consolidated sale of goods to external customers for the Group increased 27.28 percent from $56.41 million to $71.80 million as a result of revenue growth in both the macadamia and tourism segments, partially offset by a decline in sales in the ginger segment.

Included in EBIT were a number of significant items including:

- A non-cash favourable Fair Value Adjustment (FVA) of $2.37 million related to the change in fair value of the derivative component of the convertible notes pursuant to AASB 139 Financial Instruments: Recognition and Measurement as at 30 June 2019, compared to a favourable $1.39 million adjustment the prior year.
- A non-cash favourable net FVA of $0.76 million relating to value of biological assets being the net change in value of macadamias growing on the trees and ready for harvest on the ground.
- Non-cash finance charges on Convertible Notes of $3.15 million being the amount of non-coupon finance costs in relation to the convertible notes.
- Non-cash impairments and provision for onerous lease commitments of $0.95 million before tax related to a write down in the value of plant & equipment within the Ginger segment relating to Morwell $0.55 million and providing for the ongoing lease costs $0.40 million following ceasing operations at the site in January 2019.
- Net one-off costs and provisions of $0.20 million before tax related to, sale of surplus land in Hawaii, corporate advice and ginger division review costs.
- Expenses relating to employee incentive plans and share based payments including oncosts ($1.14 million).

SUMMARY OF SIGNIFICANT ITEMS INCLUDED IN EBIT	30/06/19 $'000	30/06/18 $'000
Fair Value Adjustment Convertible Note Derivative (non-cash)	(2,365)	(1,387)
Fair Value Adjustment Biological Assets (non-cash)	(762)	244
Finance charges on Convertible Notes (non-cash)	3,150	1,876
Employee incentive plans	1,143	442
Impairments (non-cash)	549	4,659
Provision for Onerous Lease (non-cash)	402	-
Gain on sale of surplus land	(351)	-
Other One-off Costs	547	1,069

Segment Review

The segment results from continuing operations were as follows:-

CONTINUING OPERATIONS	30/06/19 $'000's	30/06/18 $'000's
Business segments		
Ginger operations	1,718	(6,190)
Macadamia operations	2,574	(3,608)
Tourism operations	384	245
Total	4,676	(9,553)
Fair value gain on derivative	2,365	1,387
Corporate overhead expenses	(2,925)	(2,891)
Finance Costs	(4,025)	(2,774)
Net Profit / (Loss) Before Tax From Continuing Operations	91	(13,831)

Macadamia Division

The macadamia division performed well with sales increasing 59.0 percent from $26.15 million to $41.59 million, validating our strategy to focus near term on the opportunities offered by the sector.

Growth was driven by a combination of a full twelve months of Royal Hawaiian Orchards retail sales, following the acquisition of the retail branded business in March 2018, together with increased sales prices, distribution and gross margin improvement initiatives. Macadamia inventories on hand were increased to ensure sufficient inventory was available to meet sales. The increased inventory holdings necessitated increases in working capital requirements and net debt levels.

With consumers seeking 'healthier for you' snacking options, demand for macadamias remains strong. The USA remains the world's largest consumer of macadamias. Our distribution has grown to circa 47,000 outlets across the USA. In March we launched the Royal Hawaiian Orchards organic range with three initial savoury variants.

CHIEF EXECUTIVE OFFICER'S REVIEW

MacFarms' brand was refreshed and roll out commenced in continental USA in June with six products comprising two savoury and four flavoured variants. Initial feedback has been very positive, and a number of new customer listings have been achieved. Marketing initiatives included developing and creating social media content to support the MacFarms brand refresh and establishment of an online e-commerce offering for MacFarms.

Both the Royal Hawaiian Orchards and MacFarms natural and savoury products now carry the USFDA approved heart healthy claims.

> **"THE FAVOURABLE GROWING CONDITIONS RESULTED IN IMPROVED KERNEL PRODUCTION VOLUMES AND FACTORY EFFICIENCIES."**

Our orchard benefited from another year of excellent rain fall receiving over 33 inches. No adverse impacts from either volcanic activity or hurricanes were experienced. The favourable growing conditions resulted in improved kernel production volumes and factory efficiencies. Increased picking labour and the successful implementation of strategies to increase the frequency of harvest resulted in total crop harvested from the orchard increasing to 10.66 million pounds from 9.89 million pounds the previous year. Nut in shell intake from independent growers increased to 2.78 million pounds up from 1.98 million pounds in the prior year.

The equipment necessary to trial preparing sections of the orchard floor for mechanical harvesting arrived in March. Initial outcomes have been promising although additional specialist equipment is required to maximise the benefit of this initiative.

Ginger Division

As outlined in previous reports, the challenges faced by our traditional products continued, with strong market competition from cheaper commodity private label and non-Australian origin products in both domestic and export markets. Whilst Australian ginger supply was sufficient, ginger supply shortages in Fiji resulted in lower export sales following a smaller than expected crop as growers facing higher input costs turned to other root crops. As a result, ginger sales to external customers declined a further 2.5 percent to $23.97 million.

In response we have actioned a broad range of initiatives including rationalising non-performing products, reducing the frequency and depth of promotional discounting of mature retail products, placing a greater focus on developing strategic relationships with both customers and supply chain partners, continuing to develop new markets, new product development activity, improving manufacturing efficiencies and reducing costs.

A Strategic Review of the Ginger division was completed with assistance from expert external advisors. A number of potential capital projects to improve profitability, develop new product streams and re-focus our marketing were identified. However due to funding constraints the Group choose to focus on opportunities in the Macadamia segment with more immediate returns. The planned divestment of the Morwell bottling facility in Victoria did not proceed as a suitable buyer could not be found. The facility was closed in January and an impairment charge and provision for onerous lease costs was recognised in the results.

In March we announced that we had been successful in attracting matching grant funding under the "Growing Queensland's Food Exports" program to assist with developing preservative-free Buderim Ginger products targeted at export markets. The outcomes of the initial stages of the work we are undertaking look promising.

Domestic marketing activities with a focus on consumer sampling and trial with activations continued throughout the year. We attended the first China International Import Expo held in Shanghai in November and have continued our trials and testing in both offline and online channels in China as well as entering distribution agreements with partners to service the Australia-China daigou or 'personal shopper' market. Marketing activities have also been undertaken in Canada and Taiwan recently.

Tourism

Visitations to our award-winning Sunshine Coast, Queensland tourism park The Ginger Factory continued to grow, up 2.60 percent to over 306,000 the highest level in eight years. Revenues increased 10.42 percent to $6.35 million benefiting from the increase in visitor numbers, combined with increased visitor spend and a full twelve months of profit contribution following the acquisition of the remaining fifty percent share of the Ginger Head Quarters joint-venture comprising the Overboard and Moreton train rides in September 2017.

In November The Ginger Factory won the 2018 Sunshine Coast Business Awards Major Attractions award. Recently in July 2019 Buderim Ginger was the recipient of this year's Queensland Business Leaders Hall of Fame – Business History award.

We have started to see an increase in visitors from the emerging Chinese traveller market as we continued to promote joint itineraries, develop market specific collateral and foster closer relationships with inbound and domestic tourism operators.

The annual Ginger Food and Flower Festival, held in January, remains an iconic festival on the Sunshine Coast and together with seasonal activities such as the school holiday entertainment programs and Santa's workshop at Christmas time, continue to attract local visitors. Our retail offerings within the park showcase Buderim Ginger products and range a wide selection of gourmet food products, souvenirs and attractive homewares contributing to an inviting family experience.

Outlook

While we make no financial forecasts as we make significant changes to our business focus and approach to capital investment, we see positive trends within our various businesses including:

Strong global demand for Macadamias expected to continue

With strong global demand for macadamias and further sales growth opportunities in the USA we are working to ensure the necessary resources are in place to support our growth. We are focusing on our supply chain to ensure access to sufficient macadamia kernel is available to support sales demand and improving our production outcomes. This includes investing in improving our own orchard, working with our independent growers and investing in our processing capabilities. In July 2019 we have entered into a distribution agreement with one of the largest food distribution logistics providers in the USA to enable us to service smaller retailer orders more efficiently and to broaden our geographic sales reach. On the sales and marketing front we are increasing our consumer marketing through both online and offline initiatives and looking to build brand awareness through strategic relationships with partners that share our core brand values of high quality and health. Whilst our key focus is capitalising on the domestic USA, we will look to leverage our brand equity into export markets including China.

Opportunities to improve Ginger margins and grow exports

The review of the ginger division identified that further investment in new product development, improved processing capabilities, packaging, increased marketing and a stronger focus on non-confectionery products are all opportunities to grow the business. With more immediate returns available in macadamias the continuing focus for ginger is on the shorter term lower cost initiatives that contributed to the improved results this past year, rather than large scale capital investment projects. The trials to produce a preservative free ginger, supported with funding from the Queensland Government, are progressing well. We have gained increased distribution for our core ginger beverages both non-alcoholic and alcoholic and have a range of new Buderim Ginger products launching in the near term, including some incorporating turmeric and propolis. We will continue to develop our export markets in Europe, North America and emerging Asian markets such as China, with a longer term view. Our focus in the Australian domestic market is on promoting the provenance, heritage and usage of our products and broadening our distribution reach.

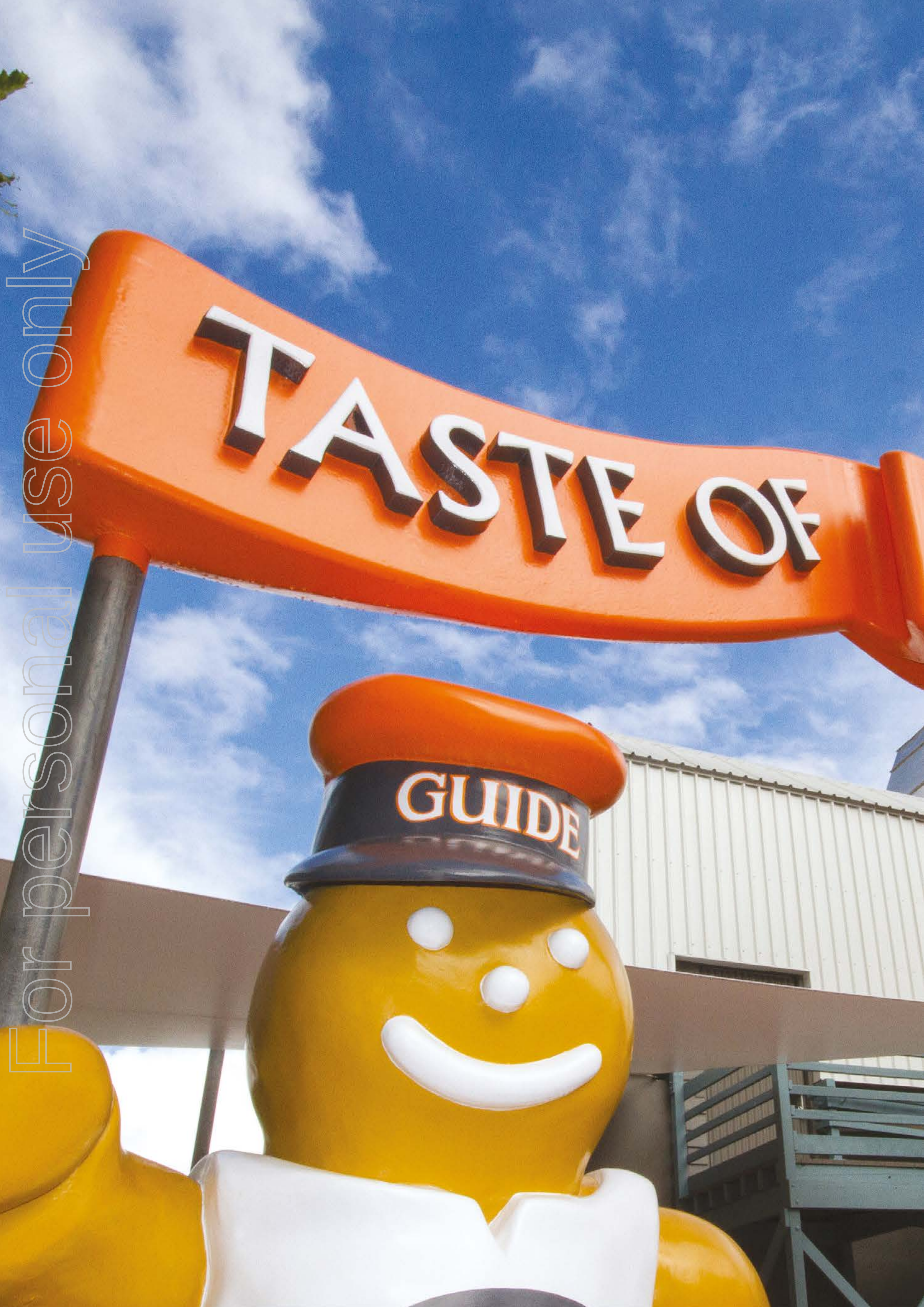
Ginger Factory alignment to Sunshine Coast tourism growth

The Ginger Factory tourism park on the Sunshine Coast, Queensland is located in the middle of the Sunshine Coast and Australia's premier ginger growing region. Food and agri-tourism is in strong growth on the Sunshine Coast. The airport upgrade and plans for re-development of other major attractions will draw more visitors to the Sunshine Coast. The Ginger Factory is well placed to benefit from the increase in visitors expected and is an active participant in tourism industry groups working collaboratively to attract more visitors to the Sunshine Coast. It remains a showcase for our Buderim Ginger products and plays an active role in the community as part of the fabric of the Sunshine Coast, something to be very proud of.

I would like to conclude by recognising the hard work and dedication of our entire team right across the Group in turning the businesses around and to thank them accordingly. Whilst there is more work to be done, the foundations laid over the past two years provide a solid platform on which to build. I also thank our external stakeholders for their ongoing support.

Finally, thank you to our shareholders for your support and patience whilst we transform the business.

Andrew Bond
Chief Executive Officer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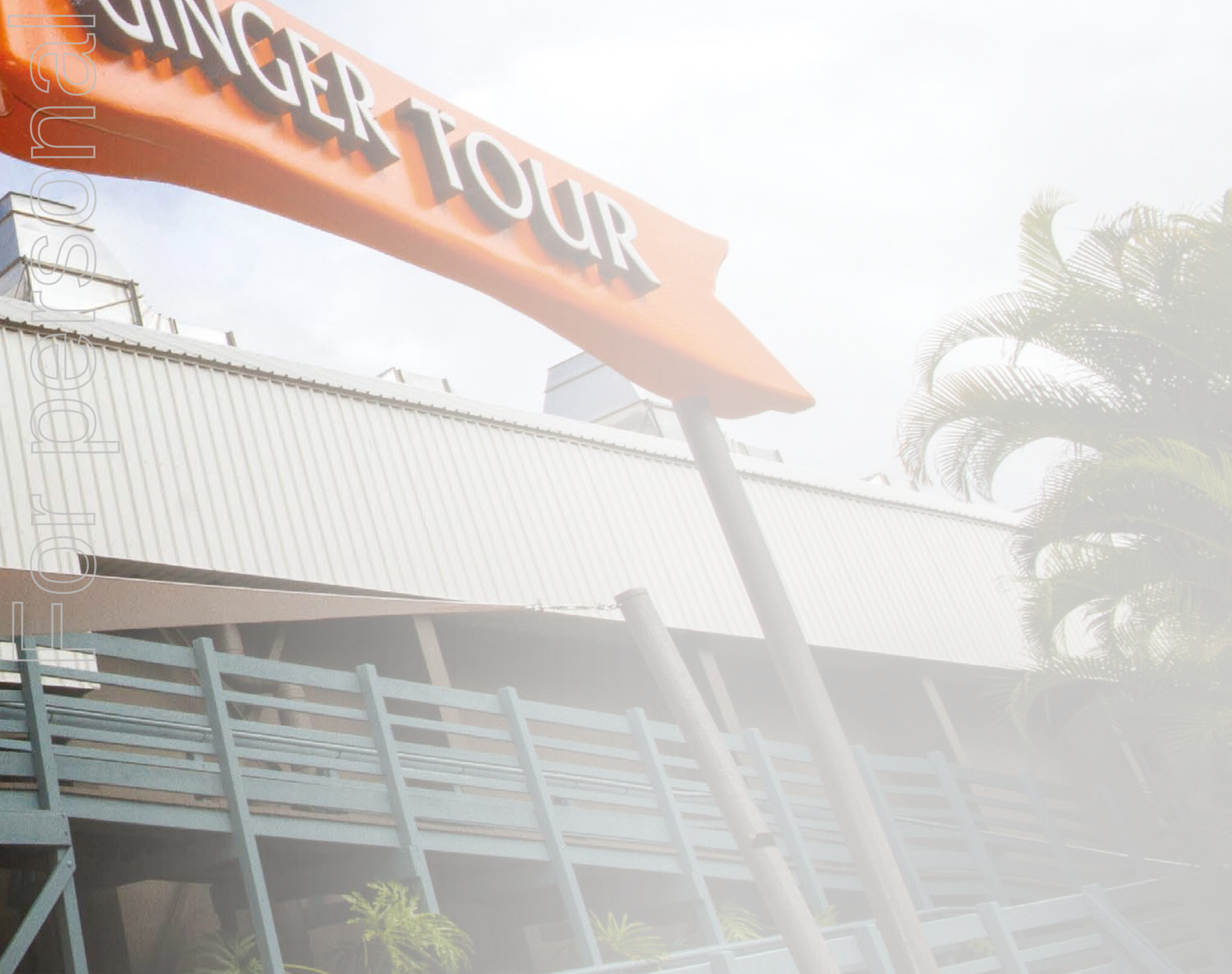

DIRECTORS' REPORT

Your directors present their report on the Group consisting of Buderim Group Limited and the entities it controlled at the end of or during the year which commenced on 1 July 2018 and ended on 30 June 2019.

DIRECTORS

Guy Michael Cowan
BSc(Hons)Engineering, FCA (UK) MAICD
Chairman and Independent Non-executive Director

Mr Cowan was appointed non-executive Chairman and Director on 28 February 2018. Mr Cowan is a senior company director based in Queensland and is the Chair of Queensland Sugar Limited and the Chair of the Audit Committee of Santos Limited. He is Director of Winson Group a former director of Beak & Johnston, and was previously Chief Financial Officer at Fonterra Co-operative Group Limited from 2005 to 2009. Mr Cowan had a 23 year career in Shell and was Chief Financial Officer of Shell Oil US from 2003 to 2005, and Chief Financial Officer and Commercial Director of Shell Nigeria from 2000 to 2003. In the 1990s, Mr Cowan served as Treasurer of Shell Australia where he was also an Alternate Director of Woodside Petroleum Limited. His previous Directorships include UGL Limited, Ludowici Limited, Coffey International Limited, Soprole S.A.I.C. of Chile and Shell Petroleum Inc.

Other listed directorships:
Santos Limited (ASX: STO)

Former listed directorships (last 3 years): None

Special responsibilities: Chairman of Remuneration Committee, Member of the Audit, Compliance & Safety Committee

Interests in shares: 171,001 ordinary shares held directly.

Qi (Christina) Chen
B.A. Econ, B.Com Fin (University of Manitoba)
Non-executive Director

Ms Chen was appointed a director on 28 July 2017. Ms Chen is a Director of ChaCha Food Co. Ltd and a Director and Vice Chairman of Hefei Huatai Group Co. Ltd. Ms Chen has relevant experience in fast moving consumer goods, E-commerce, and equity investment. She has held a number of senior positions previously including, CEO of Hefei ChaCha Weileyuan E-Commerce Co. Ltd, Assistant President, Vice President of Anhui Huayuan Financial Group Co. Ltd. and as an Investment Manager and a partner in Harvest Capital Co. Ltd.

Other listed directorships:
ChaCha Food Co. Ltd (SHE: 002557)

Former listed directorships (last 3 years): None

Special responsibilities: None

Interests in shares: None

Peter Francis O'Keeffe
Non-executive Director

Mr O'Keeffe was appointed a director at the 2014 AGM on 31 October 2014. Mr O'Keeffe is an accounting professional, with both public practice and commercial accounting experience, within Australia and overseas, across the full range of small and medium to large sized business structures. Recent industry involvement includes manufacturing, wholesale and distribution within the food industry, service industries, IT services and database development and contract accounting services to a variety of enterprises.

Other listed directorships: None

Former listed directorships (last 3 years): None

Special responsibilities: Chairman of the Audit, Compliance & Safety Committee, Member of Remuneration Committee

Interests in shares: None

Dennis Lin
CA, Solicitor of the Supreme Court of Queensland
Non-executive Director

Mr Lin was appointed a director on 3 November 2017. Mr Lin is Chairman and Director of listed consumer goods company, Bubs Australia Limited and a Director of eCargo Holdings Limited. He is a former Partner of BDO and was leader of the firm's China Advisory Services in Australia. As a Chartered Accountant and Solicitor, Mr Lin has been involved in a wide range of commercial transactions, merger and acquisitions, and capital market transactions between Australian and Chinese businesses and has a specialist focus on agriculture and consumer goods.

Other listed directorships: Bubs Australia Limited (ASX: BUB); eCargo Holdings Limited (ASX: ECG)

Former listed directorships (last 3 years): None

Special responsibilities: Member of the Remuneration Committee and Member of the Audit, Compliance & Safety Committee

Interests in shares: 79,000 ordinary shares held directly

COMPANY SECRETARY

Jessica Margaret McKinnon
BA LLB(Hons), GradDipAppCorpGov, FGIA
(resigned 3 May 2019)

Nicole Joan Nolan
B.Bus LLB LLM
(appointed 3 May 2019)

Ms Nolan was appointed Company Secretary of all group companies on 3 May 2019. Ms Nolan holds a Bachelor of Business (Accounting) University of Southern Queensland, a Bachelor of Laws from James Cook University and Masters of Law from the College of Law. Ms Nolan is a Solicitor of the Supreme Court of Queensland, Member of the Queensland Law Society and the Governance Institute of Australia. Ms Nolan has over ten years' broad legal experience across a range of industries and is currently In House Legal Counsel at AAFCANS (Army, Air Force Canteen Services).

The following persons were Directors of Buderim Group Limited during the financial year under review and at the date of this report:

Name	Position held
G Cowan	Chairman (Independent Non-executive Director)
Q Chen	Non-executive Director
D Lin	Non-executive Director
P O'Keeffe	Non-executive Director
A Tse	Non-executive Director (Resigned 25 February 2019)

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	DIRECTORS' MEETINGS		AUDIT, COMPLIANCE & SAFETY COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS	
	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended
G Cowan	15	15	1	1	3	3
Q Chen	15	14	-	-	-	-
D Lin	15	12	4	4	3	3
P O'Keeffe	15	15	4	4	1	1
A Tse	9	7	3	1	2	-

Notes

- G Cowan attended the August, November and February Audit, Compliance & Safety Committee Meetings;
- Q Chen attended the February Audit, Compliance & Safety Committee Meeting and the August Remuneration Committee meeting;
- P O'Keeffe attended the August and November Remuneration Committee meetings.

Committee membership

As at the date of this report, the company had an Audit, Compliance & Safety Committee and a Remuneration Committee of the board of directors.

Members acting on the committees of the board were:

AUDIT, COMPLIANCE & SAFETY COMMITTEE	REMUNERATION COMMITTEE
P O'Keeffe (Chair)	G Cowan (Chair)
G Cowan	D Lin
D Lin	P O'Keeffe

DIVIDENDS

Dividends paid in the year:

There was no dividend paid during the 2019 year for the year ended 30 June 2018.

Dividends declared for current year:

A dividend has not been declared for the year which commenced on 1 July 2018 and ended on 30 June 2019.

CORPORATE INFORMATION

Corporate structure

Buderim Group Limited is a company limited by shares that is incorporated and domiciled in Australia. As the ultimate parent entity, it has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in note 15 of these financial statements.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities during the year of entities within the Group are conducted in the business segments of:

- **Ginger –** manufacture in Australia and Fiji of a variety of confectionery ginger and other ginger-based products and marketing to industrial, food service and retail customers throughout the world;
- **Macadamias –** production and processing in Hawaii of macadamia products and marketing to wholesale and retail customers throughout the world; and
- **Tourism –** the sale of ginger and other retail gift and food products, and the provision of leisure activities within the Australian tourism market.

There have been no significant changes in the nature of activities during the year.

EMPLOYEES

The Group employed 405 employees as at 30 June 2019 (2018: 427). The number of employees will vary from year to year, and during each year, due to seasonal factors. The ginger segment employed 231 employees (2018: 226). The ginger segment includes tourism and corporate staff members. Employees employed within the macadamia segment were 174 (2018: 201). The decrease in employees over last year primarily relates to timing of seasonal employees within the macadamia operations.

OPERATING AND FINANCIAL REVIEW

Summarised operating results from continuing operations attributable to equity holders of Buderim Group Limited are as follows:

	30/06/19		30/06/18	
	Revenues $'000	**Results* $'000**	Revenues $'000	Results* $'000
Business segments				
Ginger operations	**25,837**	**1,718**	27,761	(6,190)
Macadamia operations	**42,408**	**2,574**	26,464	(3,608)
Tourism operations	**6,349**	**384**	5,750	245
Total	**74,594**	**4,676**	59,975	(9,553)
Consolidation adjustments	**(739)**	**-**	(1,872)	-
Fair value gain on derivative		**2,365**		1,387
Finance Costs		**(4,025)**		(2,774)
Corporate overhead expenses		**(2,925)**		(2,891)
Group income and profit/(loss) from continuing operations before income tax	**73,855**	**91**	58,103	(13,831)
Tax expense		**(321)**		(2,675)
Net Loss after tax from continuing operations		**(230)**		(16,506)

	30/06/19 $'000	30/06/18 $'000
Geographical location – revenue		
Australia	**22,344**	22,757
United States	**42,812**	27,123
Other	**9,438**	10,095
	74,594	59,975
Consolidation adjustments	**(739)**	(1,872)
Group income from continuing operations	**73,855**	58,103

*Business segment results represent profit before corporate overheads, interest and tax

In Summary

The Group recorded a net loss after tax of $230,000 from continuing operations for the year ended 30 June 2019 compared to a $16,506,000 net loss after tax last year. The Group's total consolidated sale of goods to external customers increased 27.28 percent from $56,413,000 to $71,802,000 as a result of revenue growth in both the macadamia and tourism segments, partially offset by a decline in sales in the ginger segment.

Included in this year's result were a number of significant items including:-

- A non-cash favourable Fair Value Adjustment (FVA) of $2,365,000 related to the change in fair value of the derivative component of the convertible notes pursuant to AASB 139 Financial Instruments: Recognition and Measurement as at 30 June 2019, compared to a favourable $1,387,000 adjustment the prior year.
- A non-cash favourable net FVA of $762,000 relating to value of biological assets being the net change in value of macadamias growing on the trees and ready for harvest on the ground.
- Non-cash finance charges on Convertible Notes of $3,150,000 being the amount of non-coupon finance costs in relation to the Convertible Notes.
- Non-cash impairments and provision for onerous lease commitments of $951,000 before tax related to a write down in the value of plant & equipment within the Ginger segment relating to Morwell $549,000 and providing for the ongoing lease costs $402,000 following ceasing operations at the site in January 2019.
- Net one-off costs and provisions of $196,000 before tax related to, sale of surplus land in Hawaii, corporate advice and ginger division review costs.

Other factors affecting the result for this year included:

Despite a decline in Ginger Segment sales to external customers of 2.5 percent to $23,966,000, segment profitability improved by $7,908,000 to $1,718,000. This result included a reduction in non-cash impairments of $4,110,000 and a reduction in inventory writedowns and provisions and depreciation of $1,631,000. Profitability was contributed to by a broad range of initiatives including rationalising non-performing products, reducing the frequency and depth of promotional discounting of mature retail products, placing a greater focus on developing strategic relationships with both customers and supply chain partners, continuing to develop new markets, new product development activity, improving manufacturing efficiencies and reducing costs.

An improvement in Macadamia Segment profitability of $6,182,000 was contributed to by Sales of goods to customers increasing 59.0 percent to $41,586,000 principally driven by accretive earnings following the acquisition of the Royal Hawaiian Orchards branded retail business in March 2018, combined with increased sales prices, distribution and gross margin improvement initiatives. Macadamia inventories on hand were increased to ensure sufficient inventory was available to meet sales. Favourable growing conditions resulted in improved kernel production volumes and factory efficiencies. Increased picking labour and the successful implementation of strategies to increase the frequency of harvest resulted in total crop harvested from the orchard increasing to 10.66 million pounds from 9.89 million pounds the previous year. Nut in shell intake from independent growers increased to 2.78 million pounds up from 1.98 million pounds in the prior year. A favourable net fair value adjustment of $762,000 to biological assets, and a one off profit of $351,000 from sale of surplus land are included in the results.

Visitations to The Ginger Factory increased 2.60 percent to over 306,000. Revenues increased 10.42 percent to $6,349,000 benefiting from the increase in visitors numbers, combined with increased visitor spend and a full twelve months of profit contribution following the acquisition of the remaining fifty percent share of the Ginger Head Quarters joint-venture comprising the Overboard and Moreton train rides in September 2017. The segment recorded a profit of $384,000, up 56.73 percent compared to the prior year.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Shareholder Returns and Performance measurements

For the year ended		30/06/19	30/06/18	30/06/17	30/06/16	30/06/15
EBIT	(a)	**4,119**	(11,050)	(3,634)	(8,635)	3,326
EBITDA	(a)	**5,154**	(9,060)	(1,758)	(6,104)	5,519
Basic Earnings per share (cents)		**(0.27)**	(21.40)	(16.61)	(16.00)	0.67
Dividend per share (cents)	(b)	**-**	-	-	-	-
Dividend payout ratio (%)	(b)	**-**	-	-	-	-
Return on assets (%)	(c)	**(0.29)**	(24.71)	(11.61)	(7.94)	0.34
Return on equity (%)	(d)	**(0.65)**	(52.21)	(21.43)	(17.42)	0.67
Debt/equity (%)	(e)	**68.46**	48.42	33.39	60.97	51.23
Financial leverage ratio (%)	(f)	**37.07**	23.30	15.26	33.42	27.68
Current ratio (%)	(g)	**174**	191	214	131	207
Shares on issue (millions)		**86.02**	86.02	74.80	43.36	43.36
Net tangible asset backing per share (cents)	(h)	**48**	40	60	90	95

(a) EBIT and EBITDA are used as measures of profitability and reflect earnings attributable to equity holders of Buderim Group Limited. EBIT is earnings before interest and tax. It represents the addition of profit before tax and net finance costs (finance costs less finance revenue). EBITDA is earnings before net interest cost, tax, depreciation and amortisation (EBIT plus depreciation and amortisation) (refer note 6).

(b) These figures reflect the dividend amounts declared per share subsequent to reporting dates (refer note 9). The dividend payout ratio is calculated by dividing the dividend per share by the basic earnings per share, and as such, measures the percentage of earnings to be distributed to shareholders.

(c) Return on assets is a measure of profitability which identifies how profitable a company is relative to its total assets. It is calculated by dividing net profit after tax by total assets and is displayed as a percentage.

(d) Return on equity is also a measure of profitability which identifies net income returned on funds employed/invested by shareholders. It is calculated by dividing net profit after tax by equity and is expressed as a percentage.

(e) The debt/equity ratio is a measure of borrowing calculated by dividing total interest-bearing liabilities by net equity (total equity less intangible assets), and as such represents the proportion of equity the company is using to finance its assets. It is expressed as a percentage.

(f) Similarly, the financial leverage is demonstrated on the following page. This ratio is calculated by dividing net debt (interest bearing liabilities less cash) by net debt plus equity and is expressed as a percentage.

(g) The current ratio is a measure of liquidity. It is calculated by dividing current assets by current liabilities.

(h) Net tangible asset backing per ordinary share (NTA) is a measure of the worth of a share. It can be compared to the market value of the share. The ratio is calculated by dividing total shares on issue into the sum of equity less intangible assets less net deferred tax assets. It is expressed as cents per share.

REVIEW OF FINANCIAL CONDITION

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of debt, which includes borrowings (disclosed in note 23), cash and cash equivalents and equity attributable to the equity holders of the parent (comprising issued capital, reserves and retained earnings as disclosed in note 28, and on the face of the Consolidated Statement of Changes in Equity). There are no externally imposed capital requirements. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital, as demonstrated in the table below. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position (including non-controlling interest) plus net debt.

REVIEW OF FINANCIAL CONDITION (CONTINUED)

Liquidity and Capital Resources

The Consolidated Statement of Cash Flows shows a decrease in cash and cash equivalents for the year ended 30 June 2019 of $2,781,000 from $4,293,000 down to $1,512,000.

During the year cash outflows included $7,134,000 from net operating activities primarily as a result of increasing inventory holdings. Net inflows from financing activities of $4,491,000 included repayment of borrowings of $1,013,000. Net investing activity outflows of $132,000 included plant and equipment acquisitions totalling $336,000, payment of deferred consideration of $200,000, net of the disposal of land in Hawaii.

As at 30 June 2019 the Group had $1,512,000 cash and cash equivalents available as well as unused working capital facilities of $1,500,000 in addition to bank overdraft facilities as set out in Note 3 to the Financial Statements.

As at 30 June 2018 the Group had $4,293,000 cash and cash equivalents available as well as unused working capital facilities of $4,000,000 in addition to bank overdraft facilities as set out in Note 3 to the Financial Statements.

Asset and capital structure

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
NET GEARING		
Debts		
Interest-bearing liabilities	**22,872**	14,004
Cash and cash equivalents	**(1,512)**	(4,293)
Net debt	**21,360**	9,711
Total equity	**36,259**	32,025
Total capital employed	**57,619**	41,736
	37.1%	23.3%
DEBT/EQUITY		
Total equity	**36,259**	32,025
Intangibles	**(2,852)**	(3,106)
	33,407	28,919
Interest-bearing liabilities	**22,872**	14,004
	68.5%	48.4%

On 8 August 2018 the Group entered into a restated letter of offer with its principal financier, Rabo Australia Limited (Rabobank). The restated facilities included an extension of the following facilities through to 30 June 2020:

- Term loan facilities of $2,145,000;
- Revolving working capital facility of $4,000,000 (to be fully repaid by 31 December each year and may be fully redrawn after 31 January in the following year; and
- Bank Guarantee Facility of $1,000,000

Interest margins remained unchanged.

Changes to the covenants included the removal of the target EBITDA covenant and a change to the Asset Cover Ratio covenant reporting frequency, from monthly to quarterly.

In November 2018 Rabobank agreed to waive the requirement for the Group to pay down the working capital facility to $nil for the month of January 2019, enabling the Group to secure needed macadamia kernel to meet sales demand.

REVIEW OF FINANCIAL CONDITION (CONTINUED)

Further changes to the Rabobank facilities were entered into on 2 May 2019. The restated facilities include an extension of the following facilities through to 30 September 2020:

- Term loan facilities of $1,345,000 expiring 30 September 2020;
- At call, revolving working capital facility of $7,000,000 (to be fully repaid by 31 December each year and may be fully redrawn after 31 January in the following year); and
- At call, Bank Guarantee Facility of $1,000,000.

Interest margins remained unchanged.

In March 2019 and June 2019, the Group obtained a waivers from Rabobank in relation to the Asset Cover Ratio covenant due to the increase in inventory held in the USA. The construction of the covenant places a higher emphasis on Australian inventory and debtors resulting in the breaches.

Bank debt has been classified as current at 30 June 2019 due to the covenant breaches and the at call nature of the working capital and bank guarantee facilities.

The Group has 37,500,000 convertible notes (issued February 2017) that are treated as debt for accounting purposes as at 30 June 2019. On 14 June 2019 agreement was reached with Asia Mark Development Limited, the noteholders, to extend the maturity date of the convertible notes from 15 February 2020 to 30 September 2020.

Shares issued during the year

During the twelve months ended 30 June 2019 no shares were issued.

Options issued during the year

At the 26 October 2018 Annual General Meeting shareholders approved the issue of three million options to the CEO. The options consist of three tranches of one million options exercisable at $0.40 per share subject to the satisfaction of EBIT related performance targets and exercise before 31 December 2022. The options were issued to a related entity of the CEO for a consideration of $3,600. As at 30 June 2019 the conditions for vesting had been met for the first two tranches.

Profile of Debts

The profile of the Group's debt finance below reflects the classification of the bank facilities as at 30 June 2019 as current on the basis of terms of the facility agreement in place at 30 June 2019.

The carrying amount of the convertible notes are split between interest-bearing liabilities for the host debt liability and other financial liabilities for the derivative component. Refer to note 23 for further information.

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
CURRENT		
Bank overdraft	**-**	-
Bank bill facility	**6,745**	2,245
Bank loans	**1,417**	796
Convertible notes	**1,282**	675
	9,444	3,716
NON-CURRENT		
Bank bill facility	**-**	-
Bank loans	**-**	7
Convertible notes	**13,428**	10,281
	13,428	10,288
	22,872	14,004

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

It is the opinion of the Directors that there were no significant changes in the state of affairs of the Group that occurred during the financial year under review other than those disclosed in this report or the financial report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 20 August 2019, the Group obtained a waiver from Rabobank for the requirement to pay down the working capital facility for the month of January 2020.

There is, at the date of this report no other matter, or circumstance which has arisen since 30 June 2019 that has significantly affected or may significantly affect:-

i. the operations of the Group;
ii. the results of those operations; or
iii. the state of affairs of the Group in financial years subsequent to 30 June 2019.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The group will continue its focus on improving returns to shareholders by, seeking to grow sales and distribution within existing markets, expanding into new markets, maintaining diligent cost control and investing in initiatives that will deliver strong returns on investment.

Ginger

The ginger division review identified opportunities for investment in new product development, improved processing capabilities, packaging, increased marketing and a stronger focus on health and wellness products. The focus for ginger in the shorter term is on lower cost initiatives with more immediate returns. The trials to produce a preservative free ginger, supported with funding from the Queensland Government, are progressing well. Increased distribution has been achieved for core ginger beverages both non-alcoholic and alcoholic and a range of new confectionery ginger products is launching in the near term. The focus on promoting the provenance, heritage and usage of our products and broadening the distribution reach within existing markets will increase whilst looking to new markets longer term.

Macadamias

With strong global demand for macadamias and further sales growth opportunities in existing markets the focus is on ensuring the necessary resources are in place in our supply chain and sales and marketing functions to support anticipated growth. This includes ensuring access to sufficient macadamia kernel by investing in improving the MacFarms orchard, working with independent growers and investing in processing capabilities. Broadening distribution channels and increasing consumer marketing through both online and offline initiatives will assist with increasing brand and product awareness. Longer term focus is to leverage Royal Hawaiian Orchards and MacFarms brand equity into export markets including China.

Tourism

The Ginger Factory tourism park on the Sunshine Coast, Queensland is centrally located in the middle of the Sunshine Coast and Australia's premier ginger growing region and is well placed to benefit from the increase in visitors expected as a result of planned regional infrastructure upgrades and tourism initiatives. The Ginger Factory is an active participant in tourism industry groups working collaboratively to promote the Sunshine Coast. It will remain a showcase for Buderim Ginger products and will continue to play an active role in the community.

ENVIRONMENTAL REGULATION AND PERFORMANCE

In Australia, the Group holds licenses issued by the relevant government agencies which specify limits for discharges to the environment which are due to the Group's operations. These licenses regulate the management of discharges to the air and storm water run-off associated with the ginger processing operations as well as the storage of hazardous materials. The Group is also subject to local environmental laws and controls in respect of its overseas operations. There have been no known reportable breaches of the Group's license conditions.

CLIMATE RELATED RISKS

The Group operates in markets exposed to agricultural risk and climatic factors. In particular ginger and macadamia growing regions can be affected by drought, tropical storms, diseases and pests. The regions the Group operates in include South East Queensland, Australia, Fiji for ginger and The Big Island Hawaii, USA for macadamias. The increase in natural disasters in the Pacific has impacted on the level and cost of insurance available to the Group covering its operations. In recent years the Group has not suffered any material adverse impact from climate related events.

REMUNERATION REPORT (AUDITED)

The remuneration report outlines the remuneration arrangement in place for the key management personnel, comprising of Non-executive Directors and senior executives, of Buderim Group Limited (the Group).

The key management personnel of the Group consisted of the following Directors of Buderim Group Limited:

Name	Position held
G Cowan	Chairman (Independent Non-executive Director)
Q Chen	Non-executive Director
P O'Keeffe	Non-executive Director
D Lin	Non-executive Director
A Tse	Non-executive Director (resigned 25 February 2019)

And the following executives:

Name	Position held
A Bond	Chief Executive Officer
D Ball	Interim Chief Financial Officer (appointed 3 September 2018, resigned 14 June 2019)
J Rao	Chief Financial Officer (resigned 13 July 2018)
J Wood	Group Operations Manager

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre directors and executives;
- Link executive rewards to shareholder value; and
- Provide, where appropriate, variable 'at risk' executive remuneration, dependent upon meeting pre-determined performance hurdles.

Remuneration committee

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors, the Chief Executive Officer and the Executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

The Remuneration Committee meet at least once a year and more often as required.

Voting and comments made at the last AGM

The remuneration report resolution in regards to the remuneration report for the 2018 financial year was carried at the 2018 AGM. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Link between remuneration and the Group's performance

The table below indicates the earnings and shareholder value against the remuneration of key management personnel:

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Earnings ($'000)	**(235)**	(16,720)	(8,971)	(6,938)	290
Basic Earnings per share (cents)	**(0.27)**	(21.40)	(16.61)	(16.00)	0.67
Dividend paid per share (cents)	**-**	-	-	-	-
Net asset value ($'000)	**36,259**	32,025	41,862	39,821	43,090
Net tangible asset backing per share (cents)	**48**	40	60	90	95
Share price (cents)	**17**	31	31	34.5	63
Key management personnel remuneration ($)	**1,550,298**	1,704,785	1,268,401	1,164,148	1,208,768
Key management personnel remuneration excluding long-term incentive and share-based payments ($)	**1,094,298**	1,405,344	1,268,401	1,163,148	1,208,768

REMUNERATION REPORT (AUDITED) (CONTINUED)

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. Non-executive Directors do not receive any share based remuneration.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 30 October 2015 when shareholders approved an aggregate remuneration of $300,000 per year. Actual fees paid to Non-executive Directors during the year totalled $212,079.

The amount of aggregate remuneration approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers external remuneration surveys as well as the fees paid to Non-executive Directors of comparable companies when undertaking the annual review process.

The annualised fees for the year end 30 June 2019, as compared with the year end 30 June 2018, are outlined below:

	2019 $	2018 $
Chairman	**108,179**	108,180
Non-executive Director [1]	**47,954**	47,955

1 Effective from 1 September 2018 Q Chen and A Tse agreed to forgo their Non-Executive Director fees

Additional fees are not currently paid for any board sub-committee on which a director sits, although considerable time commitments have been afforded by directors serving on various board sub-committees.

Non-executive Directors have long been encouraged by the board to hold shares in the company (purchased by the director on market). It is considered good governance for directors to have a stake in the company. The remuneration of Non-executive Directors for the year is provided later in this report.

Executive remuneration

Salary packages are measured by the company as Total Employment Cost (TEC). TEC includes all costs associated with employment, which may include, but not limited to, PAYG salary, provision of motor vehicles, FBT, superannuation, salary sacrifice arrangements, and any other approved expenditure, excluding employment oncosts such as payroll tax and workers compensation. Fringe benefits or non-deductible expenditure is grossed up to include the tax effect as part of the cost of providing such benefits in a salary package. The Group aims to reward executives with a level and mix of TEC remuneration commensurate with their position and responsibilities within the Group so as to:

- Reward executives for the Group and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

In determining the level and make-up of Executive TEC remuneration, the Remuneration Committee makes reference to external remuneration surveys detailing market levels of remuneration for comparable executive roles, and internal relativities. From these deliberations, the Remuneration Committee makes its recommendations to the Board.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Depending upon the particular role undertaken by Executives, remuneration consists of one or all of the following key elements:

- Base salary and benefits;
- Short term incentives; and
- Long term incentives.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of companywide, business division and individual performance, relevant comparative remuneration in the market, internal relativities and, where appropriate, external advice on policies and practices.

There is no guaranteed base remuneration increase included in any executives' contracts.

Variable Remuneration

The objective of the short-term incentive program (STI) is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances. At this stage, the Remuneration Committee has determined that this variable remuneration component is only offered to Executive officers where direct performance linkages can be established. This policy is reviewed annually.

Short-term incentives payable for executives are capped at a maximum, depending on seniority, of their fixed component of salary. The details of each executive's individual at risk short-term incentive is detailed in the table below under Details of Remuneration of Directors and Executives.

Actual incentive payments granted to relevant senior managers depend on the extent to which specific operating targets set at the beginning of the financial year are met. The operational targets consist of a number of Key Performance Indicators (KPI) covering both revenue and profitability of their areas of responsibility.

The objective of the long-term incentive program (LTI) are designed to promote long-term stability to shareholder returns. At this stage, the Remuneration Committee has determined that this variable remuneration component is only offered to the Chief Executive Officer (CEO).

LTI's payable to the CEO are capped at a maximum. The details of the long-term incentives are detailed in the table below under details of Remuneration of Directors and Executives.

STI's are payable at the Board's discretion.

Service agreements

It is the Remuneration Committee's policy that employment contracts are entered into with executives to protect the interest of both the Group and the employee. Details of the key terms of these agreements are as follows:

Executive	Position held	Term	Notice Period (required by the KMP)	Notice Period (required by the Group)
A Bond	Chief Executive Officer	On-going	2 months	2 months; or 6 months if termination is resulting from a take-over of the Group
J Rao (1)	Chief Financial Officer	On-going	1 month	1 month
D Ball (2)	Interim Chief Financial Officer	On-going	1 month	1 month
J Wood	Group Operations Manager	On-going	1 month	1 month

(1) resigned 13 July 2018

(2) appointed 3 September 2018, resigned 14 June 2019

Amounts paid to key management personnel are disclosed in the relevant section below.

Other than statutory leave entitlements, there are no specific termination benefits applicable to the other key management personnel's service agreements.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of Remuneration of Directors and Executives

Details of the remuneration of the directors and other key management personnel are set out in the following tables. The amounts shown are equal to the amount expensed in the Group's financial statements.

	Short Term Benefits			Post Employment Benefits	Long Term Benefits					
2019	Cash salary and fees [1] $	Short-term incentives $	Non-monetary benefits[2] $	Super-annuation $	Employee leave $	Long-term incentives $	Share-based payments $	Termination benefits $	Total $	Proportion of remuneration that is performance based %
Non-executive Directors										
G Cowan	98,794	-	-	9,385	-	-	-	-	108,179	-
P O'Keeffe	43,794	-	-	4,160	-	-	-	-	49,954	-
Q Chen	7,993	-	-	-	-	-	-	-	7,993	-
D Lin	43,794	-	-	4,160	-	-	-	-	47,954	-
A Tse [3]	7,299	-	-	693	-	-	-	-	7,992	-
Total Non-executive Directors	**201,674**	**-**	**-**	**18,398**	**-**	**-**	**-**	**-**	**220,072**	**-**
Executives										
A Bond	301,066	138,192	612	24,172	9,333	250,000	206,000	-	929,375	42%
D Ball [4]	169,126	-	-	-	-	-	-	-	169,126	-
J Rao[5]	6,248	-	-	594	-	-	-	14,815	21,657	-
J Wood	159,951	33,441	-	14,486	3,306	-	-	-	212,351	16%
Total Executives	**636,391**	**171,633**	**612**	**39,252**	**12,639**	**250,000**	**206,000**	**14,815**	**1,330,226**	
Total Remuneration	**838,065**	**171,633**	**612**	**57,650**	**12,639**	**250,000**	**206,000**	**14,815**	**1,550,298**	

(1) 'Cash salary and fees' includes annual leave entitlements accrued during the reporting period.
(2) 'Non-monetary benefits' includes the value of any non-cash benefits provided, such as fully maintained motor vehicle, insurance and/or professional membership subscriptions.
(3) Resigned 25 February 2019.
(4) Appointed 3 September 2018, resigned 14 June 2019.
(5) Resigned 13 July 2018.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Share-based payments

During the year, the Board granted 3 million options, made up of three tranches of 1 million each to the CEO in October 2018 for $3,600 consideration received. The options are exercisable at $0.40 per option and expire 31 December 2022. The first two tranches of these options have met the EBIT performance conditions and therefore have vested.

REMUNERATION REPORT (AUDITED) (CONTINUED)

	Short Term Benefits			Post Employment Benefits	Long Term Benefits				
2018	**Cash salary and fees [1] $**	**Short-term incentives $**	**Non-monetary benefits[2] $**	**Super-annuation $**	**Employee leave $**	**Share-based payments $**	**Termination benefits $**	**Total $**	**Proportion of remuneration that is performance based %**
Non-executive Directors									
S Morrow	56,750	-	-	18,531	-	-	-	75,281	-
G Cowan	33,417	-	-	3,175	-	-	-	36,592	-
P O'Keeffe	44,699	-	-	4,246	-	-	-	48,945	-
A Tse	44,699	-	-	4,246	-	-	-	48,945	-
Y Yang	12,319	-	-	-	-	-	-	12,319	-
C Chen	44,839	-	-	-	-	-	-	44,839	-
D Lin	32,520	-	-	-	-	-	-	32,520	-
Total Non-executive Directors	**269,243**	**-**	**-**	**30,198**	**-**	**-**	**-**	**299,441**	**-**
Executives									
R Masters[3]	155,833	-	-	-	-	-	-	155,833	-
A Bond	242,919	100,000	618	21,690	3,805	341,700	-	710,732	14
R Hall[4]	160,231	-	12,497	15,906	-	-	-	188,634	-
J Rao	162,838	-	-	14,989	2,744	-	-	180,571	-
J Wood	152,669	-	-	13,881	3,024	-	-	169,574	-
Total Executives	**874,490**	**100,000**	**13,115**	**66,466**	**9,573**	**341,700**	**-**	**1,405,344**	**-**
Total Remuneration	**1,143,733**	**100,000**	**13,115**	**96,664**	**9,573**	**341,700**	**-**	**1,704,785**	**-**

(1) 'Cash salary and fees' includes annual leave entitlements accrued during the reporting period.
(2) 'Non-monetary benefits' includes the value of any non-cash benefits provided, such as fully maintained motor vehicle, insurance and/or professional membership subscriptions.
(3) Resigned 15 December 2017
(4) Resigned 31 May 2018

The relative proportions of those elements of remuneration of key management personnel that are linked to performance are as follows:

	Fixed Remuneration		At risk STI		STI awarded		STI forfeited		At risk LTI		LTI awarded		LTI forfeited	
Executive	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
A Bond	**44%**	42%	**20%**	16%	**100%**	100%	**0%**	0%	**36%**	42%	**100%**	0%	**0%**	100%
J Wood	**84%**	100%	**16%**	0%	**100%**	0%	**-**	-	**-**	-	**-**	-	**-**	-
J Rao	**100%**	100%	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
D Ball	**100%**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-

REMUNERATION REPORT (AUDITED) (CONTINUED)

Shareholdings

The number of ordinary shares held in Buderim Group Limited during the financial year by each Director and other members of key management personnel of the Group at 30 June 2019 is set out below:

Ordinary Shares	Interest	Balance 1 July 2018	Received as part of remuneration	Market Acquisition / (Sale)	Other	Balance 30 June 2019
Current Directors						
G Cowan	Indirect	69,670	-	101,331	-	171,001
D Lin	Direct	75,000	-	4,000	-	79,000
Retired Directors						
A Tse(1)	Direct	50,000	-	-	(50,000)	-
Executives						
A Bond	Indirect	757,130	-	42,870	-	800,000

(1) Other represents shareholdings as at date of resignation as a director or key management person

All equity transactions with Non-executive Directors and Executives have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Other transactions and balances with directors and executives

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

Global Foods

P O'Keeffe is a related party to substantial shareholder John Cheadle (ATF) Global Foods Group Pty Ltd. Global Foods group provided products to The Ginger Factory during the year to the value of $2,802 (2018: $1,935). At 30 June 2019, no amounts were outstanding (2018: nil).

BDO

D Lin is a former partner of BDO who have provided accounting and tax services to the Group.

The Karand Family Trust

In October 2018, 3 million options at an exercise price of $0.40 were granted to the Karand Family Trust a related party of the CEO for $3,600 consideration.

Loans

There were no loans made to key management personnel during the year or prior year and there are no loans outstanding as at 30 June 2019.

END OF AUDITED REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

Buderim Group Limited and its subsidiaries have entered into Deeds of Indemnity, Insurance and Access. These deeds provide that the company indemnify all current and future directors and secretaries in accordance with the provisions of the *Corporations Act 2001*, and provide them with access to the company books and records for a period of seven years after they cease to be a director or secretary of the company.

During the financial year, the Group has paid premiums in respect of a contract insuring all the directors and officers of Buderim Group Limited against a liability incurred in their role as directors of the company, except where:

(a) the liability arises out of conduct involving a wilful breach of duty; or

(b) there has been a contravention of sections 232(5) or (6) of the *Corporations Act 2001*; and

(c) as permitted by section 199B of the *Corporations Act 2001*.

The directors have not included details of the amount of the premium paid in respect of the Directors and Officers and Supplementary Legal Expenses policies as such disclosure is prohibited under the terms of the contract.

The Group has not, during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Group against a liability incurred as auditor.

OPTIONS

In October 2018 the Group agreed a Long Term Incentive Scheme with the CEO for 3 million Options at a share price of $0.40/share.

No other options over unissued shares or interests in the company or a controlled entity were granted during or since the end of the financial period.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The company is an entity to which the ASIC Instrument applies.

CORPORATE GOVERNANCE

Buderim Group Limited's Board of Directors believes that sound and ethical corporate governance practices are essential to both conformance and performance, and send a positive signal to our workforce, our suppliers, customers and our shareholders about our culture. We also believe that responsiveness to the interests of other stakeholders and the undertaking of responsible and sustainable practices, including the safety and welfare of our employees and the protection of the environment in which we work, will help build a long-term future for the Group.

The Corporate Governance Statement is provided on the corporate website www.bugcorporate.com under the Corporate Governance tab to inform shareholders and other stakeholders of the governance arrangements in the Group.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 23.

NON-AUDIT SERVICES

There were no non-audit services provided by entities associated with the Group's auditor, PricewaterhouseCoopers.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.

G Cowan
Director
Brisbane, 30 August 2019

Auditor's Independence Declaration

As lead auditor for the audit of Buderim Group Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Buderim Group Limited and the entities it controlled during the period.

P.J. Carney

Paddy Carney
Partner
PricewaterhouseCoopers

Brisbane
30 August 2019

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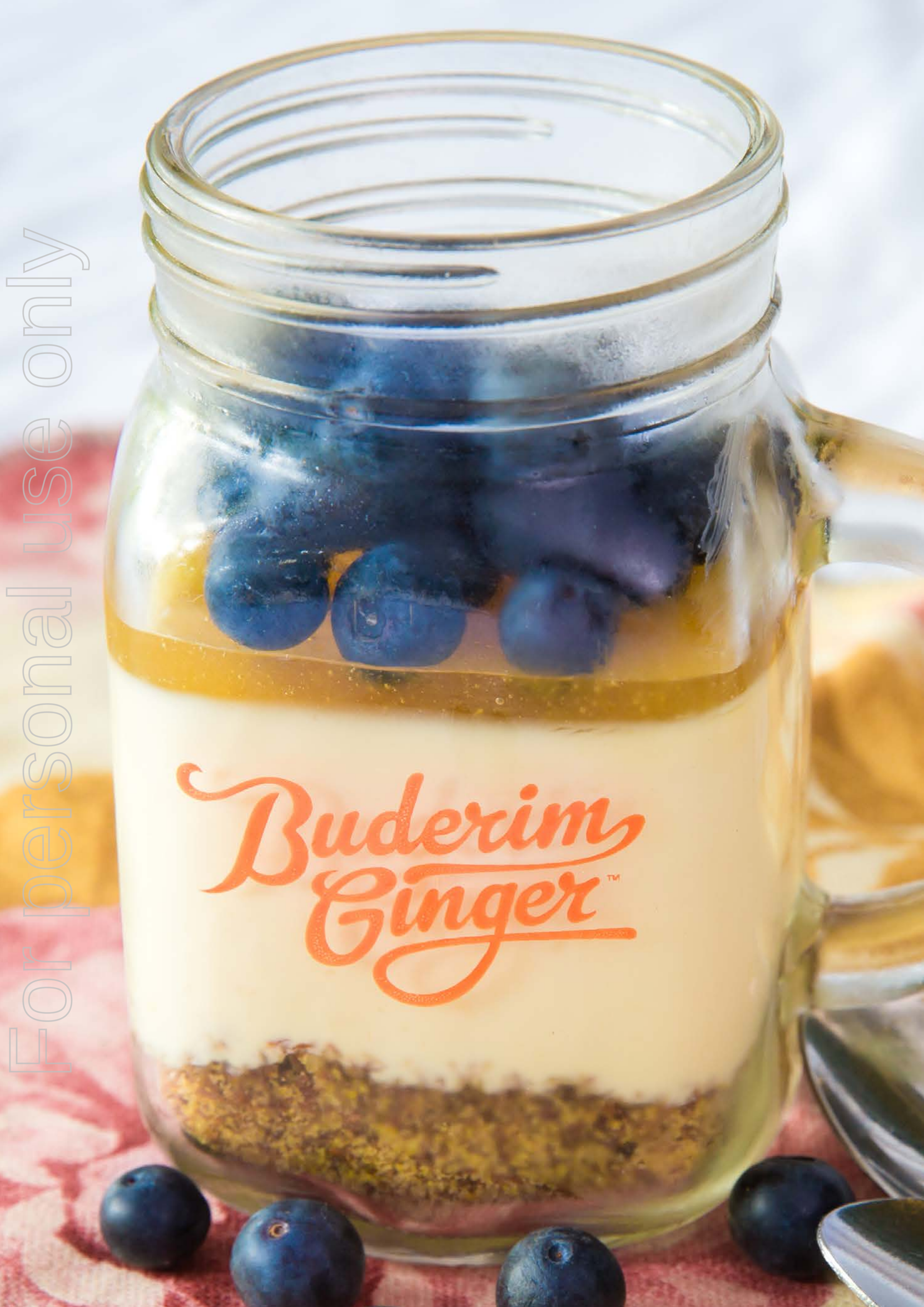
Buderim Ginger™

CONTENTS TO THE FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTES	CONSOLIDATED	
		30/06/19 $'000	30/06/18 $'000
CURRENT ASSETS			
Cash and cash equivalents	11	**1,512**	4,293
Trade and other receivables	12	**8,849**	9,710
Inventories	13	**27,157**	15,749
Current tax assets	7	**76**	18
Other current assets	14	**1,595**	1,184
Biological assets	18	**1,749**	1,008
Assets classified as held for sale	10	**-**	549
TOTAL CURRENT ASSETS		**40,938**	32,511
NON-CURRENT ASSETS			
Property, plant and equipment	17	**37,763**	32,055
Deferred tax assets	7	**-**	-
Intangible assets	19	**2,852**	3,106
TOTAL NON-CURRENT ASSETS		**40,615**	35,161
TOTAL ASSETS		**81,553**	67,672
CURRENT LIABILITIES			
Trade and other payables	22	**12,126**	11,582
Interest-bearing liabilities	23	**9,444**	3,716
Employee entitlements	25	**1,832**	1,716
Provisions	26	**129**	-
TOTAL CURRENT LIABILITIES		**23,531**	17,014
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	23	**13,428**	10,288
Other financial liabilities	24	**358**	2,723
Deferred tax liabilities	7	**7,583**	5,483
Long-term employee entitlements	25	**170**	139
Provisions	26	**224**	-
TOTAL NON-CURRENT LIABILITIES		**21,763**	18,633
TOTAL LIABILITIES		**45,294**	35,647
NET ASSETS		**36,259**	32,025
EQUITY			
Contributed equity	28	**54,824**	54,626
Reserves		**17,514**	13,243
Accumulated losses		**(36,079)**	(35,844)
TOTAL EQUITY		**36,259**	32,025

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	CONSOLIDATED 30/06/19 $'000	30/06/18 $'000
INCOME			
Sale of goods		**71,802**	56,413
Change in fair value of biological assets	18	**7,111**	3,087
Cost of sales		**(58,566)**	(52,958)
Gross profit		**20,347**	6,542
Rental revenue		**99**	78
Other income	6 (a)	**4,264**	2,998
Finance revenue		**3**	6
		24,713	9,624
Share of profit accounted for using the equity method		**-**	30
Selling and distribution expenses		**(6,817)**	(4,829)
Marketing expenses		**(737)**	(1,341)
Tourism expenses		**(3,507)**	(3,202)
Administration expenses		**(8,375)**	(6,670)
Impairment expense	30	**(549)**	(4,659)
Other expenses	6 (b)	**(609)**	(3)
PROFIT/(LOSS) BEFORE TAX AND FINANCE COSTS		**4,119**	(11,050)
Finance costs	6 (c)	**(4,028)**	(2,781)
PROFIT/(LOSS) BEFORE INCOME TAX		**91**	(13,831)
Income tax expense	7	**(321)**	(2,675)
NET LOSS FROM CONTINUING OPERATIONS		**(230)**	(16,506)
Loss from discontinued operations	21	**(5)**	(214)
NET LOSS FOR THE YEAR		**(235)**	(16,720)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of land, net of tax		**3,677**	2,559
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations, net of tax		**594**	(16)
Total other comprehensive income, net of tax		**4,271**	2,543
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		**4,036**	(14,177)
Total net loss is attributable to:			
Equity holders of Buderim Group Limited		**(235)**	(16,720)
		(235)	(16,720)
Total comprehensive income is attributed to:			
Equity holders of Buderim Group Limited		**4,036**	(14,177)
		4,036	(14,177)
Basic and diluted loss per share from continuing operations (cents)	8	**(0.27)**	(21.13)
Basic and diluted loss per share attributable to the ordinary equity holders of the Group (cents)	8	**(0.27)**	(21.40)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	CONSOLIDATED	
		30/06/19 $'000	30/06/18 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**75,809**	69,366
Payments to suppliers and employees (inclusive of GST)		**(83,156)**	(69,672)
Other receipts		**417**	382
Interest received		**3**	6
Interest and other finance costs paid		**(203)**	(896)
Income tax (paid)/received		**(4)**	(25)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	11	**(7,134)**	(840)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(336)**	(881)
Consideration paid for business combination less cash receipts	20	**(200)**	(193)
Proceeds from businesses disposed, net of cash disposed		**-**	1,329
Proceeds from sale of property, plant and equipment		**404**	26
Dividend received from joint venture		**-**	96
Return of equity from joint venture		**-**	146
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(132)**	523
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue transaction costs		**-**	(41)
Proceeds from options		**4**	-
Proceeds from borrowings		**5,500**	865
Repayments of borrowings		**(1,013)**	(2,559)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**4,491**	(1,735)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,775)**	(2,052)
Cash and cash equivalents at beginning of the year		**4,293**	6,283
Foreign exchange difference on cash holdings		**(6)**	62
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11	**1,512**	4,293
Cash flows of discontinued operations	21	**(5)**	(2,421)

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	CONSOLIDATED				
	Contributed Equity $'000	Asset Revaluation $'000	Foreign Currency Translation $'000	Accumulated Losses $'000	Total Equity $'000
As at 1 July 2017	**50,628**	**10,235**	**465**	**(19,466)**	**41,862**
Total comprehensive income for the year					
Net loss for year	-	-	-	(16,720)	**(16,720)**
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	(246)	-	**(246)**
Change in fair value of land	-	1,455	-	-	**1,455**
Income tax on other comprehensive income items	-	1,104	230	-	**1,334**
Total comprehensive income for the year	-	2,559	(16)	(16,720)	**(14,177)**
Transactions with owners in their capacity as owners					
Shares based payments expense	-	-	-	342	**342**
Shares issued, net of transaction costs	3,998	-	-	-	**3,998**
As at 30 June 2018	**54,626**	**12,794**	**449**	**(35,844)**	**32,025**
As at 1 July 2018	**54,626**	**12,794**	**449**	**(35,844)**	**32,025**
Total comprehensive income for the year					
Net loss for year	-	-	-	(235)	**(235)**
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	594	-	**594**
Change in fair value of land	-	5,516	-	-	**5,516**
Income tax on other comprehensive income items	-	(1,839)	-	-	**(1,839)**
Total comprehensive income for the year	-	3,677	594	(235)	**4,036**
Transactions with owners in their capacity as owners					
Share based payments expense	198	-	-	-	**198**
Shares issued, net of transaction costs	-	-	-	-	**-**
As at 30 June 2019	**54,824**	**16,471**	**1,043**	**(36,079)**	**36,259**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The consolidated financial statements of Buderim Group Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 30 August 2019. Buderim Group Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in note 5.

The consolidated financial statements covers the consolidated group of Buderim Group Limited and its controlled entities (the "Group").

2. SIGNIFICANT ACCOUNTING POLICIES

Table of Contents

(a) Basis of preparation

The consolidated financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have also been prepared on an accruals basis and are based on historical costs, except for investments, land, biological assets and derivative liability that have been measured at fair value.

The Group has adopted all the new, revised or amended Australian Accounting Standards and AASB Interpretations that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations has impacted the financial performance and position of the Group. Refer to note 2(ag) for further information.

The consolidated financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The company is an entity to which the ASIC Instrument applies.

(b) Going concern

The Group incurred a net loss of $235,000 for the year ended 30 June 2019 and had a net cash outflow from operating activities of $7.13 million primarily from increased investment in working capital. The Group operates under finance facilities (Refer note 23), repayable on demand and which expire 30 September 2020 (of which $1.34 million of the term debt facility was drawn down, and $5.5 million of the working capital facility utilised at 30 June 2019). These are considered current due to the terms of the facility agreement. Covenants were breached in March and June 2019, with waivers received from Rabobank on both occasions.

In addition the Group has Convertible Notes of $15 million which will mature in September 2020 and are convertible at the discretion of the Noteholders. As a result of these matters there is a material uncertainty that may cast doubt on the Group's ability to continue as a going concern. The Group may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group is continuing to expand sales distribution and implement strategies to improve profitability. Further the Directors believe that assets could be realised in an orderly manner to raise sufficient funds to meet the needs of the business.

The directors believe that the going concern basis of preparation of the consolidated financial statements is appropriate given waivers have been received from Rabobank for the covenants that have been breached, and that the Group's financiers will continue to support the Group.

(c) Statement of compliance

The consolidated financial statements of Buderim Group Limited and controlled entities comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the consolidated financial statements comply with International Financial Reporting Standards ('IFRS').

(d) Changes in accounting policies, disclosures, standards and interpretations

The accounting policies adopted are consistent with those of the previous financial reporting period, except for the adoption of new and amended standards as set out in note 2(ag).

(e) Basis of consolidation

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Basis of consolidation (continued)

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised directly in equity as attributable to owners of Buderim Group Limited.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are re-classified to profit or loss.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (note 5).

(g) Investment in jointly controlled entities

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of the joint venture are incorporated in these consolidated financial statements using the equity method of accounting from the date on which the investee became a joint venture. Under the equity method, an investment in a joint venture is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture.

Where necessary, the entire carrying amount of the investment is tested for impairment.

When a group entity transacts with the joint venture, profits and losses resulting from the transactions within the joint venture are recognised in the Group's consolidated financial statements only to the extent of the interest in the joint venture is not related to the group.

(h) Foreign currency

Functional and presentational currency

The functional currency of each entity of the Group is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars (AUD) or ($), which is Buderim Group Limited's functional and presentational currency.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. Foreign monetary assets and liabilities are translated using the exchange rates prevailing as at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate as at the date of the fair value determination.

Exchange differences arising from the translation of monetary items are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Exchange differences arising from the translation of non-monetary items are recognised in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

(i) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Bank overdrafts are shown within interest-bearing liabilities in current liabilities in the Consolidated Statement of Financial Position.

(j) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less any provision for impairment.

An impairment was previously recognised where there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

On application of AASB9, the group applied the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected losses, trade receivables have been grouped based on days past due. Expected loss rates are based on the payment profiles of sales over a period of 12 months and the corresponding historical default experience within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value, except for Macadamia produce, which are measured at fair value less costs to sell at the point of harvest.

Macadamias cease to be agricultural produce after picking and are subsequently classified as raw materials, measured at cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Inventories (continued)

- **Macadamia produce –** fair value less costs to sell at the point the Macadamia crop becomes non-living. This measurement then becomes the cost recognised under raw materials;
- **Raw materials –** purchase cost on a first-in, first-out basis; and
- **Finished goods and work-in-progress -** cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Property, plant and equipment

Buildings, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is measured at fair value. Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, over the estimated useful life of the assets as follows:

Tourism buildings	**15 years**
Freehold buildings	**50 years**
Bearer plants	**65 years**
Plant and equipment	**3 – 20 years**

The asset's residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end.

The useful lives of assets and major depreciation periods used in 2019 are consistent with those used in the prior year.

Refer to note 2 (af) for the fair value measurement.

Increases in the carrying amounts arising on revaluation of land are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the land are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the land; all other decreases are charged to profit or loss.

Upon disposal, any revaluation reserve relating to the land being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the lands' fair value at the reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

(m) Assets classified as held for sale

Non-current assets are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when management has committed to a plan for immediate sale; the sale is expected to occur within one year from date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

(n) Biological assets

Macadamia produce

The growing macadamia crop is valued in accordance with AASB 141 Agriculture. The fair value of the macadamia nuts on trees takes into account current macadamia selling prices and current growing, processing and selling costs. The calculated crop value is then discounted to take into account that it is only partly developed, and then further discounted by a suitable factor to take into account the agricultural risk until crop maturity.

(o) Intangible assets

Goodwill

Goodwill is carried at cost, less any accumulated impairment losses. Goodwill is recognised as the excess of the consideration transferred over the acquisition date fair value of identifiable net assets acquired. Goodwill is not amortised, and is tested for impairment at least annually and is allocated to the cash-generating units for which it relates.

Impairment losses recognised for goodwill are not subsequently reversed.

Trade marks

Trade marks are carried at cost, less any accumulated impairment losses and amortisation. Trade marks have been assessed by the directors as having indefinite useful lives as the related products and brand names will generate net inflows for the Group for an indefinite period. Trade marks are assessed for impairment at least annually and is allocated to the cash-generating unit for which they relate.

Customer relationships

Customer relationships are carried at cost, less any accumulated impairment losses and amortisation. Customer relationships have been assessed as having a finite life from the date of business acquisition and are amortised over a period of between 8-10 years.

Disposals

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(p) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite useful lives regardless of whether any impairment indicators exist.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An assessment is made at each reporting date as to whether a previously recognised impairment loss in respect of a non-financial asset other than goodwill, can be reversed.

(q) Interest-bearing liabilities

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(r) Other financial liabilities

The derivative liability component recognised in other financial liabilities represent the value attributable to the potential adjustments to conversion ratio of the convertible notes issued. They are initially recognised at fair value and subsequently remeasured at each reporting date. Refer to note 4 and 23 for further information.

(s) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(u) Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using high quality corporate bond rates.

(v) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(w) Revenue recognition

Interest

Revenue is recognised as the interest accrues using the effective interest method.

Rental income

Rental income is recognised on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned

Accounting policy from 1 July 2018

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally at the time of shipment or on delivery of the goods depending on agreed trading terms. Tourism revenue is recognised at the point of sale, with the exception of annual passes which are recognised over the period to which they apply.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., freight). In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, freight revenue, and principal versus agent relationship.

(i) Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates at the time of recognition of the sale to the customer the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Certain promotions, or discounts, are provided for at the time of recognition of the sale to the customer based off historical and forecast promotional activities.

(ii) Freight revenue
The Group identified two performance obligations for the sale of goods in some instances when control transfers on shipment.

(iii) Principal versus agent relationship
The Group concluded that it is the principal in its revenue arrangements, because it controls the goods or services before transferring them to the customer.

(iv) Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

Accounting policy prior to 1 July 2018

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when control of the asset has transferred to the buyer, and the value can be measured reliably. Control of the asset is generally considered to have passed to the buyer at the time of shipment of the goods to the customer or on delivery of the goods, depending on agreed trading terms.

(x) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments

(y) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary differences are associated with investments in subsidiaries, associates and interest in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax losses and unused tax credits can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary differences are associated with investments in subsidiaries, associates and interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and
- taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(z) Goods and services tax ('GST') and other value-added taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(aa) Financial Assets

From 1 July 2018 the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group's principal financial assets comprise cash and short-term deposits and receivables, which meet the conditions for classification and measurement at amortised cost. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group's financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are disclosed separately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ab) Derecognition of financial instruments

The derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the contractual rights to the cash flows expire, the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party and the relevant derecognition criteria of AASB 9 are satisfied. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged, cancelled or if the terms are modified resulting in the present value of future cashflows being modified more than 10%. Under the circumstances of modification resulting in derecognition the liability is recognised at the new present value of the future cashflows under the modified terms.

(ac) Impairment of financial assets

Accounting policy from 1 July 2018

From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Accounting prior to 1 July 2018

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost (assuming no impairment has been recognised) at the reversal date.

(ad) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(ae) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element. The convertible notes issued in 2017 have the potential to have a dilutive impact on ordinary shares. As the Group incurred losses for the period, these notes are considered antidilutive and are therefore not utilised in dilutive earnings per share calculations.

(af) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison where applicable, with external sources of data.

Refer to note 27 for further information.

(ag) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Refer Note 38 for Accounting Standards issued not adopted.

The Group changed its accounting policies as a result of adopting AASB 15 and AASB 9. These changes are documented in Note 2 (j), (w), (ab), (ac).

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The effectiveness of the processes put in place and the appropriateness of the objectives and policies are discussed regularly at Board level. Management also reviews the risk management policies and processes and reports their findings to the Audit, Compliance & Safety Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

The Group's principal financial instruments comprise bank loans, convertible notes, overdraft, payables, cash and short-term deposits and receivables.

The main purpose of these financial instruments is to raise finance for the Group's operations. It is, and has been throughout the reporting period, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are market risks including interest rate risk and foreign currency risk. Other risks include liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group's accounting policies in relation to financial instruments are set out in note 2.

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

(a) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's term debt obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

As at reporting date the Group had the following variable rate borrowings:

	CONSOLIDATED			
	30/06/19 Effective Interest Rate %	**30/06/19 Balance $'000**	30/06/18 Effective Interest Rate %	30/06/18 Balance $'000
Bank overdraft (FJD)	**10.49%**	**18**	9.49%	-
Bank bill facility (AUD)	**3.52%**	**6,745**	4.18%	2,245

An analysis of maturities is provided in (e) below.

At reporting date, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining consistent would be as follows:

	30/06/19			30/06/18		
	Exposure at 30 June $'000	**+1% $'000**	**-1% $'000**	Exposure at 30 June $'000	+1% $'000	-1% $'000
Interest-bearing liabilities	**6,745**	**(67)**	**67**	2,245	(22)	22

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Foreign currency risk

As a result of significant investment operations in Fiji and the United States, the Group's Consolidated Statement of Financial Position can be affected significantly by movements in the USD/AUD and FJD/AUD exchange rates.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Approximately 13% (2018: 20%) of the Group's sales are denominated in currencies other than the functional currency of the operating unit making the sale, whilst almost 89% (2018: 82%) of costs are denominated in the unit's functional currency.

At 30 June, the effect on profit and equity as a result of changes in the rates between the AUD and foreign currencies, with all other variables remaining consistent would be as follows:

	30/06/19			30/06/18		
	Exposure at 30 June $'000	**+10% $'000**	**-10% $'000**	Exposure at 30 June $'000	+10% $'000	-10% $'000
Balances held in USD	**25,115**	**(2,283)**	**2,791**	27,570	(2,506)	3,063
Balances held in FJD	**525**	**(48)**	**58**	535	(18)	22
Balances held in GBP	**-**	**-**	**-**	-	-	-
Balances held in CAD	**159**	**(14)**	**18**	197	(18)	22
Balances held in NZD	**87**	**(8)**	**10**	87	(8)	10

(c) Commodity risk

The Group is exposed to commodity risks in the ginger and macadamia segments.

Processes are in place to monitor the price risks associated with commodities such as ginger, macadamias and other ingredients such as sugar. Where appropriate forward contracts are established to minimise exposure to price risks for these commodities.

Commodity production risk is minimised through crop insurance and where appropriate, sourcing commodities from multiple geographical locations.

At 30 June, the effect on profit and equity as a result of an increase/(decrease) in commodity prices by 1% would be ($84,000)/$84,000 respectively.

(d) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations to the entity. Credit risk arises principally from trade and other receivables and derivatives.

The objective of the Group is to minimise risk of loss from credit risk exposure. To achieve this, the Group has established a number of policies and processes to manage credit risk from receivables and derivatives. The Group trades only with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the objective that the Group's exposure to bad debts is minimised. Trade receivables within the Group are reviewed in accordance with the simplified method of expected life time credit losses. To measure the expected losses, trade receivables have been grouped based on days past due. Expected loss rates are based on the payment profiles of sales over a period of 12 months and the corresponding historical default experience within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Credit risk from receivables is measured through the use of credit agency reports on worthiness, trading history and days sales outstanding ratios. Credit risk from derivatives is measured through monitoring of foreign exchange and interest rate movements. The Group's maximum exposure to credit risk at reporting date in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the Consolidated Statement of Financial Position.

(e) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and bill facilities. The Group's policies for determining the level of debt entered into is examined on a yearly basis in conjunction with financiers.

The Group has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring actual and daily cashflows of all Group entities;
- Continuously monitoring longer-term forecast cashflow requirements of the Group;
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows;
- Maintaining adequate borrowing facilities such as unused credit or overdraft facilities;

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity risk (continued)

- Monitoring measures of borrowing such as EBIT/Interest, EBIT/Sales, Gearing and Debt to Equity ratios;
- Monitoring liquidity ratios such as working capital;
- Managing the timing of outflows designated for reduction for liabilities in accordance with usual industry practice; and
- Liquidity risk is measured using liquidity ratios such as working capital.

The Group has access to debt facilities held with Rabobank and Westpac Banking Corporation. The facility limits and undrawn balances as at reporting date are noted below:

Debt facility		30/06/19		30/06/18	
	Expiry Date	Facility Limit $'000	Undrawn $'000	Facility Limit $'000	Undrawn $'000
Bank overdraft (AUD)[1]	1/03/2020	**455**	**455**	455	455
Bank overdraft (FJD)[1]	1/03/2020	**329**	**311**	308	308
Bank overdraft (USD)[1]	1/03/2020	**213**	**213**	203	203
Working capital facility[2]	30/09/2020	**7,000**	**1,500**	4,000	4,000
Bank bill facility (AUD)[2]	30/09/2020	**1,245**	**-**	2,245	-

1: Held with Westpac Banking Corporation
2: Held with Rabobank

The Group had access to the following undrawn borrowing facilities at the reporting date:

Bank Guarantee Facility

Rabobank provides for the issue of a $1,000,000 guarantee(s) in favour of the Group's nominated banks in Australia and Fiji in connection with overdraft, rental performance guarantees and transactional facilities.

Westpac has provided rental guarantees totalling $35,000 for the leases at Princes Drive and Russell Street, Morwell, Victoria.

Financiers

Rabobank is the Group's principal financiers, whilst Westpac Banking Corporation, Bank of Hawaii and Key Bank supply retail banking facilities such as overdraft, dividend, share purchase plan accounts, credit cards, business and corporate on-line facilities to group entities.

Maturity analysis

Financial liabilities have differing maturity profiles depending on contractual term and in the case of borrowings, different repayment amounts and frequency. The periods in which the principal and interest (where applicable) of recognised and unrecognised financial liability balances will be paid based on the remaining period to repayment date assuming contractual repayments are maintained, may vary from carrying amounts due to future interest to be incurred on amortising liability amounts. The bank overdraft and working capital bill facilities, which are repayable at call, may be drawn down at any time.

Maturity Analysis – Group – 2019

FINANCIAL LIABILITIES	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	< 6 MTHS $'000	6-12 MTHS $'000	1-3 YEARS $'000	> 3 YEARS $'000
NON-DERIVATIVES						
Trade and other payables	12,126	12,126	12,126	-	-	-
Interest-bearing liabilities	22,872	24,869	6,965	2,336	15,568	-
TOTAL NON-DERIVATIVES	**34,998**	**36,995**	**19,091**	**2,336**	**15,568**	**-**

Maturity Analysis – Group – 2018

FINANCIAL LIABILITIES	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	< 6 MTHS $'000	6-12 MTHS $'000	1-3 YEARS $'000	> 3 YEARS $'000
NON-DERIVATIVES						
Trade and other payables	12,805	12,805	12,805	-	-	-
Interest-bearing liabilities	14,004	19,870	2,804	941	16,125	-
TOTAL NON-DERIVATIVES	**26,809**	**32,675**	**15,609**	**941**	**16,125**	**-**

Refer to note 23 interest-bearing liabilities for further details.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact of the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these consolidated financial statements that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are outlined below:

(i) Significant accounting judgments

Going concern assessment

The Group has prepared the consolidated financial statements on a going concern basis. Refer to note 2(b) for further information.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and accumulated tax losses to the extent they are available to be offset with deferred tax liabilities.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumption of future events.

(ii) Significant accounting estimates and assumptions

Impairment of non-financial assets

The Group determines at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Impairment of goodwill and intangibles

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimate of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 30.

Allowance for impairment loss on trade receivables

Trade receivables within the Group are reviewed in accordance with the simplified method of expected life time credit losses. To measure the expected losses, trade receivables have been grouped based on days past due. Expected loss rates are based on the payment profiles of sales over a period of 12 months and the corresponding historical default experience within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Macadamia produce

The current year macadamia crop is not considered harvested as this crop is attached to the trees and therefore classified as a biological asset and valued in accordance with AASB 141 Agriculture. In applying this standard, the Group has made various assumptions at the reporting date as the selling price of the crop can only be estimated and the actual crop yield will not be known until it is completely processed and sold. The assumptions are detailed in note 18.

Other financial liabilities

The Group is required to measure its other financial liabilities, being the derivative liability component of the convertible notes issued at fair value. In determining the fair value of the derivative liability component, a number of key assumptions are required to be made. Refer to note 23 for further information on these assumptions.

Intercompany loans

The Group reviews the future recoverability of intercompany loans held in foreign currencies annually to ensure appropriate accounting of the foreign exchange movements associated with the loans. Where it is deemed that the loans will be repaid in the foreseeable future, these are not included in the total of the net investment in foreign entities and movements in the balances due to foreign exchange gains and losses are recognised in the comprehensive statement of profit or loss.

5. SEGMENT INFORMATION

Description of segments

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets, and thus forms the basis of the reports reviewed by the Board and the executive management committee.

The Chief Executive Officer reviews each segments performance and is the Chief Operational Decision Maker (CODM).

The reportable segments for the year ended 30 June 2019 were as follows:

Ginger - manufacture in Australia and Fiji of a variety of confectionery ginger and other ginger-based products and marketing to industrial, food service and retail customers throughout the world;

Macadamias - production and processing in Australia and Hawaii of macadamia products and marketing to wholesale and retail customers throughout the world;

Tourism - the sale of ginger products and other retail gift and food products, and the provision of leisure activities within the Australian tourism market; and

Other

The Fiji ginger business is not a reportable segment under AASB 8, since its results are not reviewed by the CODM separately from the rest of the ginger business. As such it is not a separate operating segment and cannot be a separate reporting segment. Information about the Fiji ginger business has been disclosed within the Ginger Segment.

The Group generally accounts for inter-segmental sales and transfers as if the sales or transfers were to third parties at current market prices. This results in transfer pricing between business segments, being set on an arm's length basis. Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

Segment accounting policies are the same as the Group's policies described in note 2. There were no other changes in segment accounting policies that had a material effect on the segment information.

5. SEGMENT INFORMATION (CONTINUED)

Reportable segments

Segment information provided to the Chief Operational Decision Maker for the years ended 30 June 2019 and 30 June 2018 is as follows:

REPORTABLE SEGMENTS	Ginger		Tourism		Macadamias		Total	
	30/06/19 $'000	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000
Income								
Sales of goods to external customers	**23,966**	24,587	**6,250**	5,672	**41,586**	26,154	**71,802**	56,413
Sales of goods to internal segments	**722**	1,872	**-**	-	**17**	-	**739**	1,872
Other revenue / income	**1,149**	1,302	**99**	78	**805**	310	**2,053**	1,690
Total segment revenue	**25,837**	27,761	**6,349**	5,750	**42,408**	26,464	**74,594**	59,975
Consolidation adjustments	**(722)**	(1,872)	**-**	-	**(17)**	-	**(739)**	(1,872)
Total income from continuing operations							**73,855**	58,103
Results								
Operating profit	**2,343**	176	**652**	494	**3,592**	(1,757)	**6,587**	(1,087)
Share of profit of jointly controlled entities'	**-**	-	**-**	30	**-**	-	**-**	30
Impairment expense	**(549)**	(4,659)	**-**	-	**-**	-	**(549)**	(4,659)
Inventory (writedowns) and provisions/releases	**159**	(622)	**-**	-	**(486)**	(1,219)	**(327)**	(1,841)
Segment EBITDA	**1,953**	(5,105)	**652**	524	**3,106**	(2,976)	**5,711**	(7,557)
Depreciation	**(235)**	(1,085)	**(268)**	(279)	**(532)**	(632)	**(1,035)**	(1,996)
Segment result	**1,718**	(6,190)	**384**	245	**2,574**	(3,608)	**4,676**	(9,553)
Fair value gain on derivative							**2,365**	1,387
Corporate overheads							**(2,925)**	(2,891)
EBIT							**4,116**	(11,057)
Net Finance costs							**(4,025)**	(2,774)
Profit/(Loss) before income tax							**91**	(13,831)
Income tax							**(321)**	(2,675)
Net loss from continuing operations							**(230)**	(16,506)

5. SEGMENT INFORMATION (CONTINUED)

GEOGRAPHICAL LOCATION	Australia		USA		Other		Total	
	30/06/19 $'000	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000
Sales of goods to external customers	**20,249**	19,414	**41,970**	26,813	**9,583**	10,186	**71,802**	56,413
Sales of goods to internal locations	**702**	1,872	**37**	-	**-**	-	**739**	1,872
Other revenue / income	**1,393**	1,471	**805**	310	**(145)**	(91)	**2,053**	1,690
Total geographical revenue	**22,344**	22,757	**42,812**	27,123	**9,438**	10,095	**74,594**	59,975
Consolidation adjustments							**(739)**	(1,872)
Total income							**73,855**	58,103
Total geographical assets	**46,754**	43,886	**30,992**	20,009	**3,807**	3,777	**81,553**	67,672
Total geographical liabilities	**27,327**	22,596	**17,645**	12,732	**322**	319	**45,294**	35,647

Revenue is attributable to external customers based on location of the customer.

'Other' represents sales to foreign countries that are not individually material to the Group and include the Asia, Europe and the South Pacific regions.

Major Customers (defined as > 10% of Group turnover)

During the period ended 30 June 2019, revenues of $17,926,000 (2018: $11,225,000) were derived from sales to Customer A through the ginger and macadamia segment. In total the 2019 revenue recorded through sales to Customer A amounted to more than 24% (2018: 17%) of the Group's revenue from external customers.

6. INCOME AND EXPENSES

	Note	CONSOLIDATED 30/06/19 $'000	30/06/18 $'000
(a) Other income			
Foreign exchange gains		**1,184**	1,009
Profit on disposal of property, plant and equipment		**351**	9
Fair value gain on investment accounted for using the equity method		**-**	87
Bargain purchase		**-**	280
Sundry income		**328**	190
Fair value gain on other financial liabilities	24	**2,365**	1,387
Government grants		**36**	36
Total other income		**4,264**	2,998
(b) Other expenses			
Foreign exchange losses		**184**	3
Sundry expenses – provision for onerous lease		**425**	-
Total other expenses		**609**	3
(c) Finance costs			
Bill facility		**193**	225
Bank loans and overdraft		**10**	5
Convertible notes	23	**3,825**	2,551
Total finance costs		**4,028**	2,781
(d) Depreciation			
Depreciation of non-current assets			
Plant and equipment		**593**	1,356
Bearer plants		**182**	168
Buildings		**260**	472
Total depreciation	17	**1,035**	1,996
(e) Operating lease payments			
Minimum lease payments on operating leases		**736**	922
		736	922
(f) Employee benefits expense			
Employee benefits expense (excluding superannuation costs)		**16,146**	16,519
Superannuation costs		**999**	952
Total employee benefits expense		**17,145**	17,471
(g) Inventory write-downs and provisions		**327**	1,233
h) Impairment expenses			
Goodwill		**-**	127
Buildings		**-**	2,044
Plant and equipment		**-**	2,488
Assets held for sale - Plant and equipment		**549**	-
Total impairment expenses		**549**	4,659

7. INCOME TAX

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Major components of income tax expense/(benefit) for the years ended 30 June 2019 and 30 June 2018 are:		
Statement of Comprehensive Income		
Current income tax		
Current income tax expense/(benefit)	**60**	-
Adjustments in respect of current income tax of previous years	**-**	904
Deferred income tax		
Deferred income tax expense	**126**	-
Derecognition of previously recognised deferred tax assets	**-**	3,588
Adjustments in respect of deferred income tax of previous years	**206**	-
Relating to origination and reversal of temporary differences	**(71)**	(1,817)
Tax expense	**321**	2,675

A reconciliation of income tax expense/(benefit) to accounting loss before income tax at the statutory income tax rate for the years ended 30 June 2019 and 30 June 2018 is as follows:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Accounting profit/(loss) before tax	**91**	(13,831)
At the statutory income tax rate of 30% (2018: 30%)	**27**	(4,149)
Australia (under)/over provision	**261**	(904)
USA (under)/over provision	**-**	3
Tax adjustment due to tax in foreign jurisdictions	**(11)**	(12)
Australian deferred tax assets derecognised from prior years	**-**	3,588
Australian deferred tax assets not brought to account for the year	**(132)**	3,980
USA deferred tax assets derecognised from prior years	**-**	167
Tax effects of non-deductible amounts for taxation	**176**	-
Other	**-**	2
	321	2,675

Deferred tax benefits are recognised for deductible temporary differences and accumulated losses incurred in the Macadamia segment in the current and preceding period to the extent they are available to be offset with deferred tax liabilities.

Tax on other comprehensive income

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Income tax on other comprehensive income items	**(1,839)**	894
Income tax on exchange difference on translation of foreign operations	**-**	-
Income tax on changes in fair value of cash flow hedges	**-**	-
	(1,839)	894

Tax consolidation

Buderim Group Limited and its wholly owned Australian resident subsidiaries are a tax consolidated group. All members of the tax consolidated group are taxed as a single entity from the date they enter the group. Members of the group apply the group allocation approach in determining the amount of current tax and deferred taxes recognised by members of the tax consolidation group. The head entity and other members of the tax consolidated group have entered into a tax sharing agreement. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement. At the balance date, the possibility of default is remote. The head entity of the tax consolidated group is Buderim Group Limited.

7. INCOME TAX (CONTINUED)

Movement in deferred tax balances for the years ended 30 June 2019 and 30 June 2018

	CONSOLIDATED				
	Revaluation of Land $'000	Accelerated Depreciation $'000	Employment Benefits $'000	Tax Losses to Offset / Other $'000	Total $'000
Deferred tax assets					
As at 1 July 2018	-	-	575	1,374	**1,949**
Recognition in equity	-	-	-	-	**-**
Recognition in profit	-	-	(418)	(305)	**(723)**
As at 30 June 2019	**-**	**-**	**157**	**1,069**	**1,226**
Set-off of deferred tax liabilities pursuant to set-off provisions					**(1,226)**
Net deferred tax assets at 30 June 2019					**-**
Deferred tax liabilities					
As at 1 July 2018	(6,306)	(533)	-	(593)	**(7,432)**
Recognition in equity	(1,839)	-	-	-	**(1,839)**
Recognition in profit	-	(111)	-	573	**462**
As at 30 June 2019	**(8,145)**	**(644)**	**-**	**(20)**	**(8,809)**
Set-off of deferred tax assets pursuant to set-off provisions					**1,226**
Net deferred tax liabilities at 30 June 2019					**(7,583)**

	CONSOLIDATED				
	Revaluation of Land $'000	Accelerated Depreciation $'000	Employment Benefits $'000	Tax Losses to Offset / Other $'000	Total $'000
Deferred tax assets					
As at 1 July 2017	-	-	394	6,110	**6,504**
Recognition in equity	-	-	-	-	**-**
Recognition in profit	-	-	181	(4,736)	**(4,555)**
As at 30 June 2018	**-**	**-**	**575**	**1,374**	**1,949**
Set-off of deferred tax liabilities pursuant to set-off provisions					**(1,949)**
Net deferred tax assets at 30 June 2018					**-**
Deferred tax liabilities					
As at 1 July 2017	(7,026)	(1,686)	-	(948)	**(9,660)**
Recognition in equity	720	-	-	174	**894**
Recognition in profit	-	1,153	-	181	**1,334**
As at 30 June 2018	**(6,306)**	**(533)**	**-**	**(593)**	**(7,432)**
Set-off of deferred tax assets pursuant to set-off provisions					**1,949**
Net deferred tax liabilities at 30 June 2018					**(5,483)**

7. INCOME TAX (CONTINUED)

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account:

(i) Tax losses: operating losses $34,219,000 (2018: $33,827,000)
(ii) Tax losses: capital losses $2,016,000 (2018: $2,016,000)

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility occur. These amounts have no expiry date.

8. EARNINGS PER SHARE

The following reflects the income and share data used in the basic earnings per share computations:

	CONSOLIDATED	
	30/06/19	30/06/18
Net loss after tax attributable to ordinary shareholders of Buderim Group Limited from continuing operations, used in the calculation of basic and diluted earnings per share ($'000)	**(230)**	(16,506)
Net loss from discontinued operations	**(5)**	(214)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	**86,021,860**	78,121,580
Basic and diluted earnings per share from continuing operations (cents per share)	**(0.27)**	(21.13)
Basic and diluted earnings per share from discontinued operations	**-**	(0.27)
Total basic and diluted earnings per share attributable to ordinary shareholders of Buderim Group Limited	**(0.27)**	(21.40)

The following potential ordinary shares are antidilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share:

	CONSOLIDATED	
	30/06/19 Number of Notes	30/06/18 Number of Notes
CEO Options issued 29 October 2018	**3,000,000**	
Convertible notes issued 15 February 2017	**38,895,152**	38,895,152
	41,895,152	38,895,152

9. DIVIDENDS PAID OR PROPOSED

No dividends have been paid during the 2019 year for the year ended 30 June 2019 (2018: nil). No dividend has been declared for the year ended 30 June 2019 (2018: nil).

10. ASSETS CLASSIFIED AS HELD FOR SALE

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Property, plant and equipment	**-**	549
	-	549

The Group's Morwell assets were classified as held for sale at 30 June 2018 as the Board had commenced a plan for sale of the assets. These assets were subsequently fully impaired at 31 December 2018.

11. CASH AND CASH EQUIVALENTS

Reconciliation of profit after income tax to net cash outflow from operating activities

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash balance comprises:		
– cash at bank and on hand	**1,530**	4,293
– overdraft	**(18)**	-
Closing cash balance	**1,512**	4,293

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation of loss after tax to the net cash flows from operations

	30/06/19	30/06/18
Net loss	**(235)**	(16,720)
Adjustments for:		
Depreciation of non-current assets	**1,035**	2,104
Amortisation of intangibles	**370**	102
Impairment of goodwill and fixed assets	**549**	4,659
Change in fair value of biological assets	**(815)**	(3,087)
Fair value gain on other financial liabilities	**(2,365)**	(1,387)
Profit on disposal	**(351)**	-
Share of profit of jointly controlled entities	**-**	(30)
Recognition of share based payments	**206**	342
Net exchange differences	**(1,000)**	1,441
Inventory write downs and provisions	**327**	-
Interest expense on debt-host liability	**3,825**	2,551
Government grants	**(36)**	(36)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	**861**	(381)
(Increase)/decrease in inventories	**(11,408)**	7,868
(Increase)/decrease in biological assets	**(741)**	244
(Increase)/decrease in deferred tax assets	**-**	117
(Increase)/decrease in prepayments	**(411)**	(113)
(Decrease)/increase in trade and other payables	**544**	(571)
(Decrease)/increase in tax provision	**58**	11
(Decrease)/increase in deferred tax liability	**2,100**	2,210
(Decrease)/increase in other provisions	**353**	(164)
Net cash flow from operating activities	**(7,134)**	(840)

(i) Disclosure of financing facilities - refer to note 23.

(ii) Disclosure of non-cash financing and investing activities - There has been no plant and equipment acquired by way of lease during 2019 or 2018.

(iii) All cash and cash equivalents are categorised as financial assets as amortised cost. (2018: loans and receivables). They are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method..

11. CASH AND CASH EQUIVALENTS (CONTINUED)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	CONSOLIDATED 30/06/19 $'000	CONSOLIDATED 30/06/18 $'000
Cash and cash equivalents	**1,512**	4,293
Borrowings – repayable within one year (including overdraft)	**(9,444)**	(3,716)
Borrowings – repayable after one year	**(13,428)**	(10,288)
Net debt	**(21,360)**	(9,711)
Cash	**1,512**	4,293
Gross debt – fixed interest rates	**(14,710)**	(10,956)
Gross debt – variable interest rates	**(8,162)**	(3,048)
Net debt	**(21,360)**	(9,711)

	CONSOLIDATED			
	Other assets	Liabilities from financing activities		
	Cash/bank overdraft $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Net debt as at 1 July 2018	4,293	(3,716)	(10,288)	**(9,711)**
Cash flows	(2,775)	68	4,500	**1,793**
Foreign exchanges adjustments	(6)	-	-	**(6)**
Other non-cash movements	-	(5,796)	(7,640)	**(13,436)**
Net debt as at 30 June 2019	**1,512**	**(9,444)**	**(13,428)**	**(21,360)**

12. TRADE AND OTHER RECEIVABLES (CURRENT)

	CONSOLIDATED 30/06/19 $'000	30/06/18 $'000
Trade receivables [i]	**8,559**	9,533
Provision for impairment	**(47)**	(141)
Deposits and other loans	**111**	94
Other receivables	**226**	224
Carrying amount of trade and other receivables	**8,849**	9,710

(i) Trade receivables are non-interest bearing and are generally on 30-60 day terms. Prior to 1 July 2018, an impairment loss was made when there is objective evidence that a trade receivable is impaired. The amount of impairment loss was measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors. All receivables that were neither past due or impaired are with long standing clients who have a good credit history with the Group. The carrying amounts of trade and other receivables are assumed to approximate their fair values due to their short-term nature.

There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

From 1 July 2018, Trade receivables within the Group are reviewed in accordance with the simplified method of expected life time credit losses by reviewing the historical trade receivables balances over a 12 month period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on the factors affecting the ability of the customers to settle the receivables. On that basis, the loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for trade receivables:

1 July 2018	CONSOLIDATED Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	**Total $'000**
Expected loss rate	1.1%	2.6%	6.0%	21.0%	
Gross carrying amount	9,015	887	139	48	10,089
Loss allowance	**99**	**23**	**8**	**11**	**141**

30 June 2019	CONSOLIDATED Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	**Total $'000**
Expected loss rate	0.3%	0.5%	4.0%	15.0%	
Gross carrying amount	7,088	1,249	94	128	8,559
Loss allowance	**18**	**6**	**4**	**19**	**47**

13. INVENTORIES (CURRENT)

	CONSOLIDATED 30/06/19 $'000	30/06/18 $'000
Raw materials (at lower of cost and net realisable value)	**7,269**	5,860
Work-in-progress (at lower of cost and net realisable value)	**407**	396
Finished goods (at lower of cost and net realisable value)	**19,481**	9,493
	27,157	15,749

Refer to note 6(g) for the recognised expenses for inventories carried at net realisable value. This is recognised in cost of sales in the profit or loss.

14. OTHER CURRENT ASSETS

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Prepayments	**1,595**	1,184
	1,595	1,184

15. INVESTMENT IN CONTROLLED ENTITIES

NAME		Country of incorporation	Percentage of equity interest held by the Group	
			30/06/19 %	30/06/18 %
Buderim Ginger (Overseas) Holdings Pty Ltd	(i)	Australia	**100**	100
Buderim Baking Company Pty Ltd	(i)	Australia	**100**	100
Buderim Ginger America, Inc.	(ii)	United States	**100**	100
Ginger Head Quarters Pty Ltd	(i)	Australia	**100**	100
Frespac Ginger (Fiji) Pte Ltd	(ii)	Fiji	**100**	100
Agrimac Macadamias Pty Ltd	(i)	Australia	**100**	100
MacFarms, LLC	(iii)	United States	**100**	100

(i) Investment by Buderim Group Limited
(ii) Investment by Buderim Ginger (Overseas) Holdings Pty Ltd
(iii) Investment by Buderim Ginger America, Inc.

Acquisition and disposals of controlled entity

No acquisitions or disposals occurred during the year ended 30 June 2019 (2018: During the year ended 30 June 2018, Buderim group Limited acquired the remaining 50% of shares, resulting in a business combination, with Ginger Head Quarters Pty Ltd, a tourism business).

16. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

No acquisitions or disposals occurred during the year ended 30 June 2019 (2018: During the year ended 30 June 2018, Buderim Group Limited acquired the remaining 50% of shares, resulting in a business combination, with Ginger Head Quarters Pty Ltd, a tourism business. The reporting date of Ginger Head Quarters Pty Ltd is the same as Buderim Group Limited. There were no impairment losses, capital commitments or contingent liabilities relating to the investment in this entity. The following table illustrates summarised information of the investment in Ginger Head Quarters Pty Ltd.

On 29 September 2017, Buderim Group Limited acquired the additional 50% of shares in Ginger Head Quarters Pty Ltd.

16. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
SHARE OF JOINT VENTURE'S BALANCE SHEET:		
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Net assets	-	-
SHARE OF JOINT VENTURE'S REVENUES AND PROFIT:		
Revenue	-	137
Expenses	-	(96)
Profit before income tax	-	41
Income tax expense	-	(11)
Profit after income tax	-	30
Other comprehensive income	-	-
Total comprehensive income for the year	-	30
RECONCILIATION OF MOVEMENT IN INVESTMENT		
Opening balance	-	1,174
Return of capital	-	(151)
Dividend paid	-	(96)
Profit/(loss) after tax	-	30
FV gain on investment	-	87
Transfer from investment accounted for using the equity method to consolidated investment	-	(1,044)
Closing balance	-	-
MAJOR COMPONENTS INCLUDED IN JOINT VENTURE FINANCIAL STATEMENTS		
Balance sheet	-	-
Cash at bank and on hand	-	-
Buildings and plant and equipment	-	-
Goodwill	-	-
REVENUES AND EXPENSES		
Depreciation and amortisation	-	-

17. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED							
	Leasehold land $'000	Freehold land $'000	Buildings on leasehold land $'000	Buildings on freehold land $'000	Bearer Plants $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
At 1 July 2018								
Cost or fair value	909	20,476	1,330	12,577	4,538	27,188	52	**67,070**
Accumulated depreciation	-	-	(1,147)	(7,459)	(531)	(18,596)	-	**(27,733)**
Accumulated impairment	-	-	-	(2,318)	-	(4,964)	-	**(7,282)**
Net book amount	**909**	**20,476**	**183**	**2,800**	**4,007**	**3,628**	**52**	**32,055**
Year ended 30 June 2019								
Opening net book amount	909	20,476	183	2,800	4,007	3,628	52	**32,055**
Exchange differences	31	584	8	56	196	59	-	**934**
Revaluation surplus	185	5,331	-	-	-	-	-	**5,516**
Additions	-	-	-	-	-	48	301	**349**
Disposals	-	(53)	-	-	-	(3)	-	**(56)**
Transfers	-	-	-	-	-	328	(328)	**-**
Transfers to classified as held for sale	-	-	-	-	-	-	-	**-**
Depreciation	-	-	(76)	(184)	(182)	(593)	-	**(1,035)**
Impairment	-	-	-	-	-	-	-	**-**
Closing net book amount	**1,125**	**26,338**	**115**	**2,672**	**4,021**	**3,467**	**25**	**37,763**
At 30 June 2019								
Cost or fair value	1,125	26,338	1,377	12,638	4,764	27,895	25	**74,162**
Accumulated depreciation	-	-	(1,262)	(9,966)	(743)	(19,464)	-	**(31,435)**
Accumulated impairment	-	-	-	-	-	(4,964)	-	**(4,964)**
Net book amount	**1,125**	**26,338**	**115**	**2,672**	**4,021**	**3,467**	**25**	**37,763**

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	CONSOLIDATED							
	Leasehold land $'000	Freehold land $'000	Buildings on leasehold land $'000	Buildings on freehold land $'000	Bearer Plants $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
At 1 July 2017								
Cost or fair value	698	18,312	1,132	11,739	4,340	29,080	63	**65,364**
Accumulated depreciation	-	-	(1,057)	(7,064)	(339)	(20,139)	-	**(28,599)**
Accumulated impairment	-	-	-	-	-	(2,845)	-	**(2,845)**
Net book amount	**698**	**18,312**	**75**	**4,675**	**4,001**	**6,096**	**63**	**33,920**
Year ended 30 June 2018								
Opening net book amount	698	18,312	75	4,675	4,001	6,096	63	**33,920**
Exchange differences	14	522	5	46	174	39	-	**799**
Revaluation surplus	197	1,642	-	-	-	-	-	**1,839**
Additions	-	-	171	816	-	2,120	50	**3,157**
Disposals	-	-	-	(14)	-	(461)	-	**(475)**
Transfers	-	-	-	-	-	(488)	(61)	**(549)**
Transfers from classified as held for sale	-	-	-	-	-	-	-	**-**
Depreciation charge from continuing operations	-	-	(68)	(404)	(168)	(1,356)	-	**(1,996)**
Depreciation charge from discontinued operations	-	-	-	(1)	-	(107)	-	**(108)**
Impairment	-	-	-	(2,318)	-	(2,214)	-	**(4,532)**
Closing net book amount	**909**	**20,476**	**183**	**2,800**	**4,007**	**3,628**	**52**	**32,055**
At 30 June 2018								
Cost or fair value	909	20,476	1,330	12,577	4,538	27,188	52	**67,070**
Accumulated depreciation	-	-	(1,147)	(7,459)	(531)	(18,596)	-	**(27,733)**
Accumulated impairment	-	-	-	(2,318)	-	(4,964)	-	**(7,282)**
Net book amount	**909**	**20,476**	**183**	**2,800**	**4,007**	**3,628**	**52**	**32,055**

(a) Assets pledged as security

Rabobank holds a registered equitable first mortgage over the Group's assets. The terms of this first mortgage preclude the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder. The mortgage also requires buildings that form part of the security to be fully insured at all times. The convertible noteholders hold a registered equitable second mortgage over the Group's property assets through the Buderim Security Trust.

(b) Valuations of leasehold and freehold land

Information about the valuation of leasehold and freehold land is provided in note 27.

The leasehold land in Fiji was valued on the 17 June 2019 by Rolle Associates (Fiji), the freehold land in Hawaii was valued on 19 June 2019 by CBRE Valuation and Advisory Services, and the freehold land in Yandina was valued on 7 May 2019 by Colliers International (Australia). The directors do not believe there has been a material movement in fair value since the valuations were conducted.

(c) Carrying amounts that would have been recognised if land and buildings were stated at cost

If freehold and leasehold land were stated on the historical cost basis, the amounts would be as follows:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Leasehold land at cost	**94**	94
Freehold land at Cost	**2,585**	2,585

18. BIOLOGICAL ASSETS

Biological assets comprise of macadamia nuts growing on macadamia trees.

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Balance as at 1 July	**1,008**	1,252
Change in fair value due to biological transformation	**7,111**	3,087
Transfer of harvested macadamia nuts to inventory	**(6,370)**	(3,331)
Balance as at 30 June	**1,749**	1,008

As part of its operations, the Group grows, harvests, processes and sells macadamia nuts. As at 30 June 2019, the Group owned a total of 3,998 acres of macadamia orchard located on the Big Island of Hawaii (2018: 4,013 acres). The orchard produced a total of 10.60m lbs of wet in shell macadamia nuts for the year ended 30 June 2019 (2018: 9.89m lbs).

(a) Asset pledged as security

Information about assets pledged as security is provided in note 17(a).

(b) Fair value

Information about the valuation of macadamia nuts growing on trees is provided in note 27.

19. INTANGIBLE ASSETS

	CONSOLIDATED			
	Goodwill $'000	Relationships* $'000	Trade marks $'000	Total $'000
Balance as at 1 July 2018				
Cost (gross carrying amount)	726	1,417	1,451	**3,594**
Accumulated amortisation and impairment	(167)	(46)	(275)	**(488)**
Net carrying amount	**559**	**1,371**	**1,176**	**3,106**
Year ended 30 June 2019				
At 1 July 2018, net of accumulated amortisation	559	1,371	1,176	**3,106**
Additions	-	-	-	**-**
Amortisation	-	(158)	(212)	**(370)**
Impairment expense	-	-	-	**-**
Foreign exchange movement / other	(3)	65	54	**116**
At 30 June 2019, net of accumulated amortisation	**556**	**1,278**	**1,018**	**2,852**
Balance as at 30 June 2019				
Cost (gross carrying amount)	742	1,488	1,515	**3,745**
Accumulated amortisation and impairment	(186)	(210)	(497)	**(893)**
Net carrying amount	**556**	**1,278**	**1,018**	**2,852**

	CONSOLIDATED			
	Goodwill $'000	Relationships* $'000	Trade marks $'000	Total $'000
Balance as at 1 July 2017				
Cost (gross carrying amount)	2,007	-	218	**2,225**
Accumulated amortisation and impairment	(1,553)	-	(217)	**(1,770)**
Net carrying amount	**454**	**-**	**1**	**455**
Year ended 30 June 2018				
At 1 July 2017, net of accumulated amortisation	454	-	1	**455**
Additions	213	1,344	1,172	**2,729**
Amortisation	-	(46)	(58)	**(104)**
Impairment expense	(127)	-	-	**(127)**
Foreign exchange movement / other	19	73	61	**153**
At 30 June 2018, net of accumulated amortisation	559	1,371	1,176	**3,106**
Balance as at 30 June 2018				
Cost (gross carrying amount)	726	1,417	1,451	**3,594**
Accumulated amortisation and impairment	(167)	(46)	(275)	**(488)**
Net carrying amount	559	1,371	1,176	**3,106**

* Relationships relate to customer and distributor relationships.

(a) Asset pledged as security

Information about assets pledged as security is provided in note 17(a).

(b) Impairment testing

Refer note 30 for information about the impairment assessment of goodwill and intangible assets with indefinite useful lives.

20. BUSINESS COMBINATIONS

Ginger Head Quarters Pty Ltd

The parent entity previously owned 50% of the shares in Ginger Head Quarters Pty Ltd (GHQ), a tourism business. On 29 September 2017, the parent entity acquired the remaining 50% of the shares. The cost of acquisition was $764,000 to be paid in cash, with deferred consideration payable over two years.

There has been no subsequent change in fair value on acquisition.

20. BUSINESS COMBINATIONS (CONTINUED)

Royal Hawaiian Macadamia Nut, Inc (subsidiary of Royal Hawaiian Orchard, LP)

On 14 March 2018, MacFarms LLC acquired the retail business from Royal Hawaiian Macadamia Nut Inc. The consideration for acquisition was 11,220,242 shares in Buderim Group Limited at a share price of AUD$0.36.

There has been no change in fair value on acquisition.

21. DISCONTINUED OPERATIONS

On 21 December 2017, the Group disposed of the assets of Agrimac Macadamias Pty Ltd excluding inventory, the Australian macadamia operations. The proceeds on disposal of $1,400,000, net of GST, were received in cash. The Group continued to sell the remaining Australian macadamia inventory following sale of the assets.

The loss for the year from the discontinued operations is analysed as follows:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Revenue	**781**	11,136
Other income	**10**	44
Operating expenses	**(796)**	(12,135)
Gain on sale of assets	**-**	856
Loss before income tax	**(5)**	(99)
Income tax expense	**-**	(115)
Loss from discontinued operations	**(5)**	(214)

The assets of Agrimac Macadamias Pty Ltd disposed of, included the following:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Property, Plant and Equipment	**-**	(459)
Buildings	**-**	(14)
WDV of disposed assets	**-**	(473)
Disposal costs	**-**	(71)
Cash received	**-**	1,400
Gain on sale of assets	**-**	856

The net cash flows attributable to the operating, investing and financing activities of the discontinued operations were as follows:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Net cash inflow/(outflow) from operating activities	**(5)**	98
Net cash inflow/(outflow) from investing activities	**-**	1,540
Net cash inflow/(outflow) from financing activities	**-**	(4,059)
Net increase/(decrease) in cash generated by the discontinued operations	**(5)**	(2,421)

22. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
CURRENT		
Trade payables (i)(ii)(v)	**7,814**	7,450
Other payables (iii)	**4,312**	4,123
Interest payable (iv)	**-**	9
	12,126	11,582

(i) Trade and other payables are non-interest bearing and are normally settled on 30 – 45 day terms. The net of GST payable and GST receivable is remitted to the appropriate tax body on a monthly basis.
(ii) The carrying amounts of trade and other payables are assumed to approximate their fair values due to their short-term nature.
(iii) Interest payable is normally settled monthly throughout the financial year.
(iv) For terms and conditions relating to related parties refer to note 34.
(v) All trade and other payables are categorised as "other financial liabilities". They are initially recognised at fair value and subsequently carried at amortise cost using the effective interest method.

23. INTEREST-BEARING LIABILITIES

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
CURRENT		
Secured		
Bank overdraft (a)	**-**	-
Bank bill facility (b)	**6,745**	2,245
Bank loans (b)	**1,417**	796
Convertible notes (c)	**1,282**	675
	9,444	3,716
NON-CURRENT		
Secured		
Bank loans (b)	**-**	7
Convertible notes (c)	**13,428**	10,281
	13,428	10,288

(a) Bank overdraft

The bank overdraft facilities are secured by a bank guarantee provided by Rabobank. The interest rate on the overdraft facilities is approximately 8.19% (2018: 9.49%).

23. INTEREST-BEARING LIABILITIES (CONTINUED)

(b) Bank loans and bill facilities

On 2 May 2019, Buderim Group Limited entered into a restated letter of offer with its principal financier, Rabobank. The restated facilities included term loan facilities of AUD$1,345,000, expiring 30 September 2020, and an at call revolving working capital facility of AUD$7,000,000 to be fully repaid by 31 December each year and may be fully redrawn after 31 January in the following year. The provision of an at call bank guarantee facility of AUD$1,000,000 remained unchanged with the exception of an extension of its expiry date from 1 March 2019 to 30 September 2020. There were no changes to the covenants.

The Group did not meet its forecast Asset Cover Ratio ("ACR") banking covenant with Rabobank for the periods ended 31 March 2019 or 30 June 2019. A waiver was received for both breaches. The Group received a waiver from Rabobank on 26 June 2019 in respect of the expected financial banking covenant breach as at 30 June 2019.

Other bank loans include:

- MacFarms LLC loan facilities are at an average interest rate of 5.05% (2018: 3.78%) which are supported by a guarantee from the parent entity. This loan represents funding of general insurance premiums

(c) Convertible notes

On 15 February 2017, the parent entity issued the following convertible notes at $0.40 per note with a coupon rate of 4.5% per annum:

(i) 25,000,000 to Wattle Hill RHC Fund 1 SPV Ltd (WHC); and

(ii) 12,500,000 to Asia Mark Development Limited (AMD)

The notes are convertible into fully paid ordinary shares of the parent entity, at the option of the noteholder, or repayable on 30 September 2020. The conversion ratio for each note held is one note to 1.037204 fully paid ordinary shares. Upon conversion, 38,895,152 shares will be issued.

On 25 February 2019 AMD acquired the Convertible Notes previously issued to WHC in accordance with the terms and conditions of an agreement entered into between AMD and WYC around the time of the issue of the Convertible Notes in February 2017. On 25 February 2019 the contract was modified to defer interest payable on the anniversary date to be payable on or before 14 February 2020 which was an insignificant modification resulting in a gain of $138,000 recognised in finance costs. On 14 June 2019 the contract was modified to extend the maturity date of the notes from 15 February 2020 to 30 September 2020.

The contract modification at 14 June 2019 when assessed under AASB9 resulted in substantially different future cashflows, and as a result the liability has been extinguished and recognised at the revised present value of the future cashflows. The effective interest rate at 30 June 2019 for the period to 30 September 2020 is 10.60 percent.

	CONSOLIDATED
	30/06/19 $'000
Prior to Contract modification at 14 June	
Present Value of future Cash flows	13,738
Derivative Value	358
Liability extinguished to Finance Costs	14,096
Following Contract modification at 14 June	
Present Value of future Cash flows	14,642
Derivative Value	358
Liability recognised from Finance Costs	15,000
Net cost of extinguishment to Finance Costs	904

23. INTEREST-BEARING LIABILITIES (CONTINUED)

The convertible notes are presented in the consolidated statement of financial position as follows:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Opening balance	**13,679**	13,190
Fair value gain/loss on Derivative	**(2,365)**	(1,387)
Interest expense[1]	**2,917**	2,551
Interest paid	**(67)**	(675)
Liability Extinguished	**(14,096)**	-
Liability Recognised	**15,000**	-
	15,068	13,679
Current liability[2]	**1,283**	675
Non-current liability	**13,785**	13,004
	15,068	13,679

1) Interest expense is calculated by applying the effective interest rate of 25.59% prior to 14 June 2019, and 10.60% following the contract modification on 14 June 2019 to the host debt liability component.
2) Current liability portion represents the 4.5% coupon payable on the anniversary of the issue of convertible notes. The balance is presented as non-current.

The initial fair value of the host debt liability portion of the convertible notes was determined as the residual balance between the face value of the notes issued and the fair value of the derivative liability recognised. The derivative liability represents the value attributable to the potential adjustment to the conversion ratio on conversion of the notes. The host debt liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the notes.

(d) Fair value

The carrying amount of bank related interest-bearing liabilities reasonably approximate their fair values due to the relatively short-term nature of these liabilities.

The host debt liability portion of the convertible notes are held at amortised cost. This host debt liability represents the 4.5 percent annual coupon payable and $15,000,000 payable at the maturity of the notes. The fair value of this host debt liability, as at 30 June 2019, is considered to be $14,642,000 (2018: $14,991,000), representing the net present value of future cash flows following modification on 14 June 2019 utlising the effective interest rate of 10.60 percent.

24. OTHER FINANCIAL LIABILITIES

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Derivative liability component	**358**	2,723
	358	2,723

On 15 February 2017, the parent entity issued 37,500,000 convertible notes. Refer to Note 23 for further details on issue of convertible notes.

Fair value

The derivative liability component of the convertible notes are to be measured at fair value on each reporting date. Information about the valuation of the derivative component is provided in note 27.

The fair value recognised at 14 June 2019 was $358,000 resulting in a fair value gain of $673,000 recognised in the consolidated statement of profit or loss and other comprehensive income. The valuation at 31 December 2018 of $1,031,000 resulted in a $1,692,000 (2018: $1,387,000) fair value gain recognised in the consolidated statement of profit or loss and other comprehensive income.

25. EMPLOYEE ENTITLEMENTS

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
CURRENT		
Employee benefits	**1,832**	1,716
	1,832	1,716
NON-CURRENT		
Employee benefits	**170**	139
	170	139

The employee benefits cover the Group's liability for annual leave, sick leave and long service leave.

The current portion of this liability includes all of the accrued annual leave, sick leave and unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments.

26. PROVISIONS

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
CURRENT		
Onerous lease provision	**129**	-
	129	-
NON-CURRENT		
Onerous lease provision	**224**	-
	224	-
TOTAL PROVISION	**353**	-

A provision for onerous leases was recognised in the period following the closure of the Morwell bottling facility. The non-cancellable lease expires in May 2022, resulting in a requirement for onerous lease provision.

	CONSOLIDATED
	Onerous lease $'000
Carrying amount 1 July 2018	**-**
Recognition of provision	**393**
Unwinding of provision	**(40)**
Carrying amount 30 June 2019	**353**

27. FAIR VALUE MEASUREMENT

This note explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value in the financial statements.

(a) Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

27. FAIR VALUE MEASUREMENT (CONTINUED)

(a) Fair value hierarchy (continued)

Consolidated 2019	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-financial assets					
Leasehold land	17	-	1,125	-	**1,125**
Freehold land	17	-	26,338	-	**26,338**
Macadamia nuts growing on trees	18	-	-	1,749	**1,749**
Total non-financial assets		**-**	**27,463**	**1,749**	**29,212**
Other financial liabilities					
Derivative liability component	24	-	-	358	**358**
Total other financial liabilities		**-**	**-**	**358**	**358**

Consolidated 2018	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-financial assets					
Leasehold land	17	-	909	-	**909**
Freehold land	17	-	20,476	-	**20,476**
Macadamia nuts growing on trees	18	-	-	1,008	**1,008**
Total non-financial assets		**-**	**21,385**	**1,008**	**22,392**
Other financial liabilities					
Derivative liability component	24	-	-	2,723	**2,723**
Total other financial liabilities		**-**	**-**	**2,723**	**2,723**

(b) Transfers between fair value hierarchy

There were no movements between any of the three-level hierarchy classifications.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following tables present the changes in level 3 items for the years ended 30 June 2019 and 30 June 2018 for recurring fair value measurements:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Macadamia nuts growing on trees		
Balance as at 1 July	**1,008**	1,252
Gains recognised in profit or loss	**7,111**	3,087
Reclassification to inventory	**(6,370)**	(3,331)
Balance as at 30 June	**1,749**	1,008
Derivative liability component		
Balance as at 1 July	**2,723**	4,110
Initial recognition of convertible notes	**-**	-
Gain recognised in profit or loss	**(2,365)**	(1,387)
Derivative liability extinguished	**(358)**	-
Recognition of convertible notes on modification of contract	**358**	-
Balance as at 30 June	**358**	2,723

27. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Valuation processes

Leasehold and Freehold land

The Group engages external, independent and qualified valuers to determine the fair value of the Group's leasehold and freehold land at least every three years. A directors' valuation has been performed for the leasehold and freehold land as at 30 June 2019. The last independent valuations of these leasehold and freehold lands were performed as follows:

- The leasehold land in Fiji was valued on 17 June 2019 by Rolle Associates (Fiji);
- The freehold land in Hawaii was valued on 19 June 2019 by CBRE Valuation and Advisory Services (USA); and
- The freehold land in Yandina was valued on 7 May 2019 by Colliers International (Australia).

The directors do not believe there has been a material movement in fair value since the valuations were conducted. The independent valuations were determined by the direct comparison approach, utilising recent observable market data for similar properties. Key inputs include the price per square metre. There were no changes during the year in the valuation techniques used by the Group to determine Level 2 fair values.

Macadamia nuts growing on trees

The Group has a team that performs valuations of the Group's biological assets for financial reporting purposes, including Level 3 fair values.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Volume of macadamia nuts on trees is determined utilising known growth cycles and expected macadamia orchard yields. Expected yields are estimated based upon historical yields and adjusted for climatic conditions and observations of the current crop growing in the orchard.
- Selling prices are based on average trend prices for wet in shell macadamia nuts.
- Growing, processing and selling costs are based on long term average levels.

As the macadamia growth cycle is complete within 12 months, no adjustment has been made for discounting future harvests to net present value.

Derivative liability component

The Group engages external, independent and qualified advisors to determine the fair value of the Group's derivative liability component of its convertible notes. The valuation determines the fair value of the derivative component through a Binomial option pricing model.

(e) Valuation inputs and relationships to fair value

Macadamia nuts growing on trees

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer to section (d) above for the valuation techniques adopted.

Valuation inputs	Relationship of unobservable inputs to fair value	2019	2018
Forecasted macadamia orchard yield (million lbs)	The higher the macadamia nut yield, the higher the fair value	**10.67**	9.89
Selling prices of wet in shell macadamia nuts (US $ per pound)	The higher the wet in shell sell price, the higher the fair value	**0.94**	0.75
Costs of growing (US $ per pound)	The higher the costs of growing, the lower the fair value	**0.12**	0.13
Costs of disposal, including processing and selling costs (US $ per pound)	The higher the costs of disposal, the lower the fair value	**0.38 – 0.51**	0.36-0.49

Derivative liability component

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer to section (d) above for the valuation techniques adopted.

Valuation inputs	Relationship of unobservable inputs to fair value	30/06/19	30/06/18
Historical 3-year volatility (%)	The higher the volatility, the higher the fair value	**62.5**	62
Dividend yield (%)	The higher the dividend yield, the higher the fair value	**-**	-

28. CONTRIBUTED EQUITY AND RESERVES

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Issued and paid up capital		
Fully paid ordinary shares	**54,824**	54,626
	54,824	54,626

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Movements in ordinary shares on issue	Date	Issue Price	Number of shares	$'000
Balance as at 1 July 2018			86,021,860	54,626
Balance as at 30 June 2019			**86,021,860**	**54,626**

Movements in ordinary shares on issue	Date	Issue Price	Number of shares	$'000
Balance as at 1 July 2017			74,801,618	50,628
Shares issued – Placement	14 March 2018	$0.36	11,220,242	4,039
Less: Transaction costs arising on share issues			-	(41)
Balance as at 30 June 2018			**86,021,860**	**54,626**

Nature and purpose of reserve

Asset revaluation

The asset revaluation reserve is used to record increments and decrements in the fair value of non-current assets. The reserve can only be used to pay dividends in limited circumstances.

Foreign currency translation

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Dividend

No dividend has been declared or paid during the year ended 30 June 2019.

29. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Group as lessee

The Group has entered into commercial leases on certain motor vehicles, forklifts, office equipment and premises where it is not in the best interest of the Group to purchase these assets. These leases have 3-5-year lives. On 2 June 2017, the Group entered into commercial 5-year lease agreements for factory premises with options to extend for a further 6 years.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Within one year	**473**	433
After one year and not more than five years	**438**	698
In excess of five years	**-**	-
	911	1,131

29. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Finance lease commitments – Group as lessee

The Group has no finance leases or hire purchase contracts.

Other commitments

At 30 June 2019 the Group has commitments of $9,022,000 (2018: $8,539,000) principally relating to committed plant and equipment purchases and supply of manufacturing inputs. Commitments contracted at reporting date, but not recognised as liabilities are as follows:

	CONSOLIDATED	
	30/06/19 $'000	30/06/18 $'000
Within one year		
– Plant and equipment purchases	**99**	474
– Consumables used in production processes	**8,923**	8,065
	9,022	8,539

30. IMPAIRMENT TESTING

The Group is required to test its intangible assets with indefinite useful lives annually for impairment, along with its other non-financial assets when indications of impairment are identified. Given the nature of assets held by the Group, including intangible assets and factory plant and equipment which do not generate cash inflows that are largely independent of other assets, the Group must determine the recoverable amount for the cash-generating unit (CGU) to which the asset belongs. The identified CGUs, which are consistent with prior financial periods, comprise the Australian and Fijian Ginger divisions, Tourism division and USA Macadamia division. The assets held within the Ginger Australia division other than land which has been valued by an independent valuer are deemed to be insignificant and excluded from further impairment testing. Refer to Note 27.

The Group has identified the following indications of impairment:

- The carrying amount of the net assets of the Group is more than its market capitalisation; and
- Evidence is available from internal reporting that indicates that the economic performance of the Groups' assets are lower than expected.

The Group has calculated the value-in-use for all CGU's to determine their recoverable amount. The value-in-use calculation utilises the 2019 financial budget and 2020 financial forecast, approved by the Board of Directors, as well as forecasts for the 2021 – 2023 financial years, to determine the future net cash flows arising from the continued use of the CGUs' assets. These cash flows are then discounted to present value utilising pre-tax weighted average costs of capital rates. When the value-in-use does not support the carrying amount of a CGU's assets, the Group calculates the CGU's fair value less costs of disposal (FVLCD). The recoverable amount is the higher of value-in-use and FVLCD.

For the purposes of impairment assessment, goodwill acquired through business combinations is allocated to individual CGU's for which it relates. No amount of goodwill or intangible assets with indefinite useful lives have been allocated across multiple CGUs.

CONSOLIDATED	Ginger Fiji		Tourism		Macadamia USA		Total	
	30/06/19 $'000	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000
Goodwill	**94**	109	**218**	218	**243**	232	**555**	559
Customer Relationships	**-**	-	**-**	-	**1,278**	1,371	**1,278**	1,371
Trade marks	**1**	1	**-**	-	**1,017**	1,175	**1,018**	1,176
	95	110	**218**	218	**2,538**	2,778	**2,851**	3,106

The recoverable amounts of the Ginger Fiji and Tourism CGU's are determined based on a value in use calculation whilst Macadamias USA is determined based on FVLCD.

The key assumptions utilised in managements value-in-use calculations are detailed below:

Pre-tax discount rate applied for each cash-generating unit

- Ginger Fiji 17.5% (2018: 18.5%)
- Tourism 16.2% (2018: 18.7%)

30. IMPAIRMENT TESTING (CONTINUED)

Other key assumptions

- **Tourism revenue growth –** Included in the tourism forecasts are an increase in Tourism visitor numbers through engagement with international tourism operators.
- **Gross margins –** Slight improvement to gross margins assumed going forwards. Adjustment has been made based on anticipated movements in labour rate and supply contracts.
- **Overheads –** Inflation increase applied along with known contract revisions, assessed by each segment and department.
- The following 20-year average CPI for each country of operation has been utilised as the growth rates applied to cash forecasts.
  - Tourism: 2.0% (2018: 2.3%)
  - Ginger Fiji: 3.0% (2018: 3.3%)

Terminal growth rates

- Tourism: 2.7% (2018: 2.3%)
- Ginger Fiji: 3.4% (2018: 3.3%)

The key assumptions utilised in managements FVLCD calculations are detailed below:

In determining the FVLCD, the Group has obtained an independent valuation for the Macadamia USA CGU on a whole of business basis to represent the realisable values and made allowance for 3% disposal costs. The basis for fair value of land has been detailed in note 17(b).

FVLCD values were determined using both the income capitalisation approach and also comparable sales both of which resulted in no shortfall within the cash-generating unit. The carrying amounts of assets within the Macadamia USA cash-generating unit (including goodwill, property, plant and equipment) reflect the higher of FVLCD, value in use and zero and therefore no impairment was recognised during the financial year. Some of the inputs utilised within the valuation are unobservable and are therefore deemed to be level 3 in the fair value hierarchy.

Other key assumptions

Capitalisation rate:	13.00% (2018: 14.00%)
Stabilised Orchard Yield:	9m lbs p/a (2018: 9m lbs p/a)
Stabilised Price per lb:	US$1.15 (2018: US$1.00)
Stabilised operating costs:	US$1,608 per planted acre (2018: US$1,468 per planted acre)

The impairments recognised were:

Impairments	Ginger Australia		Macadamia		Total	
	30/06/19 $'000	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000	**30/06/19 $'000**	30/06/18 $'000
Goodwill	**-**	127	**-**	-	**-**	127
Customer Relationships	**-**	-	**-**	-	**-**	-
Trade marks	**-**	-	**-**	-	**-**	-
Buildings	**-**	2,318	**-**	-	**-**	2,318
Plant and equipment	**-**	2,214	**-**	-	**-**	2,214
Assets classified as held for sale	**549**	-	**-**	-	**549**	-
	549	4,659	**-**	-	**549**	4,659

Sensitivity

As disclosed in note 4, the directors have made judgements and estimates in respect of impairment testing of tangible and intangible assets. Should these judgements and estimates not occur the resulting asset carrying amounts may decrease. The Group has considered and assessed reasonably possible changes in key assumptions, and has not identified any instances that could cause the carrying value of the CGU's to exceed their recoverable amount.

31. EVENTS AFTER THE REPORTING DATE

The Directors are not aware of any significant events since the end of the reporting period, other than the following.

On 20 August 2019, the Group obtained a waiver from Rabobank for the pay down of the working capital facility due in December 2019.

32. DIRECTORS AND EXECUTIVE DISCLOSURES

Details of Compensation of Directors and Executives

Details of the nature and amount of each element of the remuneration of Key Management Personnel of the company and the Group for the financial year can be found in the remuneration report in the director's report. Refer to note 34 for other KMP transactions.

	CONSOLIDATED	
	30/06/19 $	30/06/18 $
Short-term employee benefits		
Cash salary and fees	**836,949**	1,143,733
Short-term incentives	**171,633**	100,000
Non-Monetary	**612**	13,115
Post-employment benefits		
Superannuation	**57,650**	96,664
Other long-term employee benefits		
Share based payments	**206,000**	341,700
Long-term incentives	**250,000**	-
Long service leave	**12,639**	9,573
Termination benefits	**14,815**	-
	1,550,298	1,704,785

33. AUDITORS' REMUNERATION

	CONSOLIDATED	
	30/06/19 $	30/06/18 $
Amounts received or due and receivable by PricewaterhouseCoopers and associated entities for:		
– an audit or review of the financial report of the parent entity and any other entity in the consolidated group	**297,600**	279,500
– tax advice in relation to the entity and any other entity in the consolidated entity	**-**	-
– other assurance services in relation to the entity and any other entity in the consolidated entity	**-**	-
	297,600	279,500
Amounts received or due and receivable by aliz pacific Chartered Accountants & Business Advisors Suva & Nadi		
– an audit or review of the financial report of subsidiaries	**8,540**	13,000
	8,540	13,000
	306,140	292,500

34. RELATED PARTY DISCLOSURES

Parent entity

Parent entity details are set out in note 36.

Entities subject to class order relief

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to certain controlled entities of Buderim Group Limited from the Corporations Act 2001 requirements for preparation, audit, publication and lodgement of their financial reports. As a condition of the ASIC Instrument, Buderim Group Limited and the controlled entities, subject to the ASIC Instrument, entered into a Deed of Indemnity on 22 March 2019. Members of the closed group include Buderim Group Limited Ginger Headquarters and Buderim Ginger (Overseas) Holdings Pty Ltd. Buderim Baking Company Pty Ltd and Agrimac Macadamias The effect of the deed is that Buderim Group Limited has guaranteed to pay any deficiency in the event of winding up of the members of the close group. The members of the closed group have also given a similar guarantee in the event that Buderim Group Limited is wound up.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income of the entities which are members of the "Closed Group" are as follows:

	CLOSED GROUP	
	30/06/19 $'000	30/06/18 $'000
INCOME		
Sale of goods	**26,358**	27,539
Cost of sales	**(18,302)**	(23,182)
Gross profit	**8,056**	4,357
Rental revenue	**99**	118
Dividend income	**485**	1,518
Other income	**5,868**	800
Finance revenue	**3**	6
	14,511	6,799
Share of profit accounted for using the equity method	**-**	30
Selling and distribution expenses	**(2,528)**	(3,023)
Marketing expenses	**(437)**	(1,250)
Tourism expenses	**(2,645)**	(2,687)
Administration expenses	**(5,054)**	(4,749)
Impairment expense	**(549)**	(4,594)
Other expenses	**(402)**	(3)
PROFIT/(LOSS) BEFORE TAX AND FINANCE COSTS	**2,896**	(9,477)
Finance costs	**(2,783)**	(2,365)
PROFIT/(LOSS) BEFORE INCOME TAX	**113**	(11,842)
Income tax (expense) / benefit	**(358)**	(2,504)
NET LOSS FROM CONTINUING OPERATIONS	**(245)**	(14,346)
Loss from discontinued operations	**(5)**	(214)
NET LOSS FOR THE YEAR	**(250)**	(14,560)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Changes in fair value of land, net of tax	**329**	-
Total other comprehensive income/(loss) net of tax	**329**	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR	**79**	(14,560)
Total net profit/(loss) is attributable to:		
Equity holders of Buderim Group Limited	**(250)**	(14,560)
	(250)	(14,560)
Total comprehensive profit/(loss) is attributed to:		
Equity holders of Buderim Group Limited	**79**	(14,560)
	79	(14,560)

34. RELATED PARTY DISCLOSURES (CONTINUED)

The Consolidated Statement of Financial Position of the entities which are members of the "Closed Group" are as follows:

	CLOSED GROUP	
	30/06/19 $'000	30/06/18 $'000
CURRENT ASSETS		
Cash and cash equivalents	**1,030**	1,549
Trade and other receivables	**11,085**	11,288
Inventories	**6,763**	7,256
Current tax assets	**-**	-
Other current assets	**453**	387
Assets classified as held for sale	**-**	-
TOTAL CURRENT ASSETS	**19,331**	20,480
NON-CURRENT ASSETS		
Receivables	**20,588**	16,203
Investments	**1,298**	1,298
Investments accounted for using equity method	**-**	2,088
Property, plant and equipment	**8,688**	8,853
Deferred tax assets	**-**	-
Intangible assets	**218**	218
TOTAL NON-CURRENT ASSETS	**30,792**	28,660
TOTAL ASSETS	**50,123**	49,140
CURRENT LIABILITIES		
Trade and other payables	**2,855**	6,652
Interest-bearing liabilities	**8,688**	3,341
Short-term provisions	**1,293**	493
Current tax liabilities	**-**	-
TOTAL CURRENT LIABILITIES	**12,836**	10,486
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	**13,428**	10,288
Other financial liabilities	**358**	2,723
Deferred tax liabilities	**2,874**	2,517
Long-term provisions	**170**	139
TOTAL NON-CURRENT LIABILITIES	**16,830**	15,667
TOTAL LIABILITIES	**29,666**	26,153
NET ASSETS	**20,457**	22,987
EQUITY		
Contributed equity	**56,917**	54,626
Reserves	**4,439**	3,969
Accumulated losses	**(40,899)**	(35,608)
TOTAL EQUITY	**20,457**	22,987
Movement in retained earnings		
Opening balance	**(35,608)**	(21,048)
Attributable to changes to the Closed Group members	**(5,041)**	-
Net profit/(loss) for the year	**(250)**	(14,560)
Closing balance	**(40,899)**	*(35,608)*

34. RELATED PARTY DISCLOSURES (CONTINUED)

Subsidiaries

Interests in subsidiaries are set out in note 15.

Joint ventures

Interest in joint ventures are set out in note 16.

Key management personnel

Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the Directors' report.

Transactions with other related parties

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

The following transactions occurred with related parties:

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

The following transactions occurred with related parties:

BDO (QLD) Pty Ltd

The Group received accounting and taxation services to the value of $638,000 (2018: $313,000). At 30 June 2019, $132,000 was outstanding within terms as owing to BDO (QLD) Pty Ltd.

Asia Mark Development Limited

Asia Mark Development Limited, a major shareholder, hold 37,500,000 Convertible Notes issued by the parent entity on 15 February 2017. The Convertible Notes pay an annual coupon of 4.5%. Accrued coupon payable at reporting date totals $859,007 (2018: $83,835).

MacFarms of Hawaii 401(k) Profit Sharing Plan

The Group elected to make a discretionary contribution amounting to $203,800 (2018: $257,465) to the accounts of eligible employees under the MacFarms of Hawaii (401k) Profit Sharing Plan, a self-administered deferred profit sharing plan for eligible employees of MacFarms, LLC. There were no outstanding contributions payable at reporting date (2018: nil). The Group made payments to Hicks Pension Services on behalf of the MacFarms of Hawaii 401(k) Profit Sharing Plan of $10,102 in relation to administration fees (2018: $10,193).

35. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes borrowings disclosed in note 23, cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 28 and on the face of the Consolidated Statement of Changes in Equity. There are no externally imposed capital requirements. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital, as demonstrated in the table below. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position (including minority interest) plus net debt.

35. CAPITAL RISK MANAGEMENT (CONTINUED)

Asset and capital structure

	TOTAL OPERATIONS	
	30/06/19 $'000	30/06/18 $'000
Net Gearing		
Debts:		
Interest-bearing liabilities	**22,872**	14,004
Cash and cash equivalents	**(1,512)**	(4,293)
Net debt	**21,360**	9,711
Total equity	**36,259**	32,025
Total capital employed	**57,619**	41,736
	37.1%	23.3%
Assets funded by external stakeholders		
Total assets	**81,553**	67,672
Total liabilities	**45,294**	35,647
	55.5%	52.7%

36. PARENT ENTITY INFORMATION

The *Corporations Act 2001* requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by the regulation 2M.3.01 which requires the following limited disclosure in regards to the parent entity (Buderim Group Limited). The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policy described in note 2.

	PARENT ENTITY	
	30/06/19 $'000	30/06/18 $'000
Current assets	**14,033**	15,094
Non-current assets	**32,986**	18,286
Total assets	**47,019**	33,380
Current liabilities	**12,837**	10,344
Non-current liabilities	**16,779**	15,666
Total liabilities	**29,616**	26,010
Net assets	**17,403**	7,370
Issued capital	**54,824**	54,626
Asset revaluation reserve	**4,439**	3,968
Foreign currency translation reserve	**-**	-
Accumulated losses	**(41,860)**	(51,224)
Total shareholder's equity	**17,403**	7,370
Net profit/(loss) for the year	**9,364**	(15,826)
Total comprehensive profit/(loss) for the year[1]	**9,364**	(15,826)

36. PARENT ENTITY INFORMATION (CONTINUED)

Guarantees

The parent entity has guaranteed under the terms of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 any deficiency of funds if Buderim Ginger (Overseas) Holdings Pty Ltd, Buderim Baking Company Pty Ltd and Agrimac Macadamias Pty Ltd are wound up.

The parent entity has provided a guarantee to Westpac, Suva, Fiji in the sum of AUD $300,000 (FJD $500,000) to indemnify the Westpac Banking Corporation for an overdraft facility made available to Frespac Ginger (Fiji) Pte Ltd.

Contractual commitments

At 30 June 2019 the parent entity has commitments of $504,000 (2018: $451,000) principally relating to supply of manufacturing inputs. These amounts represent commitments contracted at reporting date, but not recognised as liabilities.

Contingent liabilities

The parent entity has no contingent liabilities, other than the guarantees detailed above (2018: nil).

Intercompany loan forgiveness

The parent entity results include intercompany loan forgiveness with an entity included within discontinued operations in the prior year (refer Note 21).

37. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The following new accounting standards and amendments to accounting standards became applicable in the current reporting period:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers

These standards did not have significant impact on the Group's accounting policies, and did not require retrospective adjustments. The impact of the adoption of these standards and the new accounting policies are disclosed below.

AASB 9 Financial Instruments

Impact of adoption

This standard addresses the classification, measurement and de-recognition of financial assets and financial liabilities and new rules for hedge accounting. There are no significant impacts on the Group's consolidated financial statements resulting from the application of AASB 9. Revised policies are disclosed in Note 2.

AASB 15 Revenue from Contracts with Customers

Impact of adoption

This standard established the reporting principles relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. There are no significant impacts on the Group's consolidated financial statements resulting from the application of AASB 15. Revised policies are disclosed in Note 2.

38. ACCOUNTING STANDARDS ISSUED NOT ADOPTED

Aside from AASB 16 (as discussed below), there are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

AASB 16 Leases, mandatory for the Group's 30 June 2020 financial statements

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases.

The accounting for lessors will not significantly change.

The Group has reviewed all of it's leasing arrangements over the last year in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date the Group has non-cancellable operating lease commitments of $911,000 see note 29.

For the lease commitment the Group expects to recognise right-of-use assets and lease liabilities of between $400,000-$1,000,000. Overall, there will be no impact to equity at the date of application.

The Group expects that the net profit impact after tax will be in the range of $20,000-$70,000 decrease as a result of adopting the new rules.

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the consolidated financial statements. However, some additional disclosures will be required next year.

The Group will apply the standard from its mandatory adoption date of 1 July 2019. The Group intends to apply the modified retrospective approach with no comparatives being restated. When applying the modified retrospective approach, the Group will take advantage of the following practical expedients:

- A single discount rate be applied to portfolios with similar characteristics
- leases with a remaining term of twelve months or less from the date of adoption will be accounted for as short term leases (via the SOCI) even though the initial term of the leases from lease commencement date may have been twelve months or more.

DIRECTORS' DECLARATION

The directors of the company declare that:

(a) the attached financial statements and notes, and the Remuneration Report in the Directors' Report, are in accordance with the *Corporations Act 2001*, and:

  (i) comply with Accounting Standards and the Corporations Regulations 2001; and

  (ii) give a true and fair view of the Group's financial position as at 30 June 2019 and of the performance for the year ended on that date;

(b) this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019;

(c) in the opinion of the directors, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(d) note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

(e) in the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in note 34 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 34.

Signed in accordance with a resolution of the directors.

Guy Cowan
Director

Brisbane, 30 August 2019

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Independent auditor's report

To the members of Buderim Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Buderim Group Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2019
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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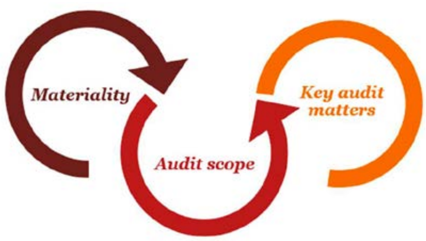
Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report, which indicates that the Group's finance facilities are repayable on demand, and that as a result the Group is dependent on receiving the continuing support of its financiers. This condition, along with the other matters set forth in note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $724,000, which represents approximately 1% of the Group's total revenues.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group total revenues because, in our view, it is the benchmark against which the Group is measured given the historical volatility in underlying profits.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

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Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group operates in three regions, being Australia, the United States of America, and Fiji.
- Local component auditors in Fiji and the United States of America assisted in performing audit procedures over inventory held in these locations on behalf of the Group engagement team. Specific instructions were issued to the component audit teams in Fiji and the United States of America for this purpose. The Group engagement team was responsible for the direction, supervision and performance of these procedures.
- Otherwise, the Group engagement team performed all required audit procedures over the Group's consolidated financial report. Our audit procedures were mostly performed at Group's corporate head office in Brisbane, Australia, along with visits to various other locations in Australia to perform audit procedures over inventory held at those locations.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit, Compliance & Safety Committee.

In addition to the matters described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	***How our audit addressed the key audit matter***

Impairment assessment of the Group's non-current assets
(Refer to note 30)
At 30 June 2019, the Group has recognised \$37,763K of Property, Plant and Equipment, and \$2,852K of Intangible Assets in the consolidated statement of financial position.
The Group has determined that impairment indicators exist at 30 June 2019 and accordingly has performed an impairment assessment on all cash generating units (CGUs).
Given the level of judgement involved in estimating the key assumptions used in the valuation models, including forecast performance, growth rates and discount rates, and the materiality of the non-current assets recognised on the Group's consolidated statement of financial position, this was a key audit matter.
	Assisted by PwC valuation experts in aspects of our work, our procedures included the following, amongst others:
	• considered any indicators of potential impairment, including the Group's market value compared to its net assets
	• in relation to the Group's value-in-use (VIU) models, we performed sensitivity analysis over the key assumptions that the models were based on, and assessed the reasonableness of these assumptions as follows:
	    ○ compared forecast cash flows to board approved budgets and historical performance
	    ○ evaluated whether growth rates were achievable and realistic considering historical performance, future strategies and market information
	    ○ assessed the methodology used for calculating discount rates and compared them to those used by other similar organisations

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Key audit matter	*How our audit addressed the key audit matter*

Impairment assessment of the Group's non-current assets (continued)	• in relation to valuations performed by the Group's valuation advisors to support the fair value less costs of disposal (FVLCD) of certain CGUs, we:
	  ○ considered the competency, qualifications, experience and objectivity of the valuers
	  ○ read the valuation reports and considered if the methodology was consistent with the basis of preparation required by Australian Accounting Standards
	  ○ assessed the reasonableness of key assumptions used in the valuations by comparing them to supportable evidence, such as market rates for macadamias, comparable land sales, orchard yields, and capitalisation rates
	• considered whether the impairment assessments took into consideration the carrying values of all relevant assets
	• assessed the adequacy of impairment disclosures in light of the requirements of Australian Accounting Standards.

Inventory costing and valuation including biological assets *(Refer to notes 13 & 18)* The Group's inventories at 30 June 2018 amounted to $28,906K, of which $19,888K related to finished goods and work in progress, $7,269K related to raw materials, and $1,749K related to biological assets. This was a key audit matter due to: • the significant increase in the value of inventory balances held compared to the prior year • the judgement required in valuing biological assets • the judgement involved in providing for quality or obsolescence issues in inventory.	We performed the following procedures, amongst others: • observed a sample of physical inventory counts, including those related to biological assets. This included consideration of whether items of inventory with quality or obsolescence issues had been appropriately identified separately from other inventory items • considered the methods and key assumptions used to develop the provision for slow moving and obsolete inventory, and assessed the adequacy of this provision compared to the prior period, subsequent experience, and shelf lives of a sample of inventory items • considered whether inventory was appropriately accounted for at the lower of cost or net realisable value by selecting a sample of inventory items on hand at balance date, and comparing the carrying value to the most recent sale price • evaluated the key assumptions, such as raw material costs, and allocated labour costs, used in the standard costing methodology for inventory, including agreeing these assumptions to corroborating evidence and recalculating standard cost variances • evaluated the fair value methodology and key assumptions used to determine the value of the biological assets, including agreeing these assumptions to corroborating evidence. The key assumptions related to the forecast sales prices and costs, forecast intake volumes, and kernel recovery rates.

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Key audit matter	*How our audit addressed the key audit matter*
Accounting for the modifications of the convertible notes *(Refer to notes 23 & 24)* The Group has $15,068K of convertible notes recorded in the consolidated statement of financial position, and the terms of these notes were modified during the year. This was a key audit matter because of the size of the balance, and the complexity involved in accounting for the modification in line with Australian Accounting Standards.	We performed the following procedures, amongst others: • agreed the terms of the modifications to supporting documentation • reperformed the Group's calculations of the change in the net present value of future cash flows of the notes at the date of modification, and considered the Group's assessment of whether or not the modifications were significant • tested the mathematical accuracy of the Group's calculations of the gain/loss on modification • assessed the adequacy of disclosures regarding the modifications in light of the requirements of Australian Accounting Standards.

Accounting for share based payments and other incentives
(Refer to note 31 and the remuneration report)
During the year the Group provided benefits to key management personnel in the form of short and long term cash incentive payments, and the issue of options to the CEO.
This was a key audit matter because of the judgement in determining the fair value of equity instruments on grant date, assessing the likelihood of specific performance hurdles being met, and the vesting period over which incentives should be recognised.
	We performed the following procedures, amongst others:
	• inspected the minutes of the Group's Board Remuneration Committee for approval of incentive payments
	• obtained the report prepared by the Group's external valuers in relation to the of the valuation of the CEO options at grant date and:
	    o considered the competency, qualifications, experience and objectivity of the valuers
	    o read the valuation report and considered if the methodology was consistent with the basis of preparation required by Australian Accounting Standards
	• assessed the reasonableness of assumptions used in the valuation, such as the share price at grant date, share price volatility, vesting period, and risk free rate, by comparing them to observable market data or the signed agreements
	• assessed whether the share based payment expense was recognised over the appropriate vesting period by comparing the assumptions the Group used in the calculations to the contractual terms of the options, and considering the likelihood of performance and service obligations being met with reference to the Group's forecasts
	• assessed the adequacy of disclosures regarding the incentives in the remuneration report in light of the requirements of the Corporations Act.

Key audit matter	*How our audit addressed the key audit matter*
Tax accounting and transfer pricing arrangements *(Refer to note 7)* The calculation of taxation balances was a key audit matter because: • the Group operates in several jurisdictions with different laws, regulations and authorities resulting in complex tax calculations • the Group has transfer pricing arrangements in place between Australia and the United States of America (USA) which impact the tax calculations • judgement is involved in certain aspects of the tax calculations, including the assessment of the recoverability of deferred tax assets.	We performed the following procedures, amongst others: • tested the mathematical accuracy of the Group's transfer pricing calculations with reference to the Group's transfer pricing methodology • tested the mathematical accuracy of the calculation of deferred tax balances and income tax expense recognised in the financial report • with the assistance of PwC taxation specialists, for a sample of tax and accounting bases used by the Group to calculate deferred tax assets and liabilities, we compared the balances to the underlying accounting and tax records • on a sample basis, tested the Group's reconciliation of the statement of taxable income to the consolidated statement of profit or loss and other comprehensive income, and assessed the appropriateness of adjustments made by the Group with reference to tax legislation, with the assistance of PwC taxation specialists • considered the reasonableness of the Group's assessment of the probability that tax losses will be able to be utilised in future, with reference to the Group's historical performance and Board approved forecasts.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 16 to 21 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of Buderim Group Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

P.J. Carney

Paddy Carney
Partner

Brisbane
30 August 2019

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 06 August 2019.

(A) DISTRIBUTION OF EQUITY SECURITIES

The number of shareholders, by size of holding, in each class of share are:

	ORDINARY SHARES	
	Number of Holders	**Number of Shares**
1 – 1,000	587	208,539
1,001 – 5,000	361	860,586
5,001 – 10,000	101	751,234
10,001 – 100,000	225	7,056,036
100,001 and over	47	77,145,465
	1,321	86,021,860
The number of shareholders holding less than a marketable parcel of shares are:	793	525,012

(B) TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are:

		ORDINARY SHARES	
		Number of Shares	**Percentage of Ordinary Shares**
1	Asia Mark Development Limited	28,792,625	33.47
2	Mr John Cheadle	13,639,918	15.86
3	Citicorp Nominees Pty Limited	11,278,759	13.11
4	Randell Management Services Pty Ltd <Timms Super Fund Account>	5,117,928	5.95
5	Rubicon Family Office Pty Limited	4,195,088	4.88
6	Bundaberg Sugar Group Ltd	2,291,261	2.66
7	Shane Templeton	1,573,451	1.83
8	Ace Property Holdings Pty Ltd	1,300,000	1.51
9	Mr Andrew Paul Bond + Mrs Karen Michelle Bond <The Karand Family A/C>	757,130	0.88
10	Roger Masters	734,090	0.85
11	The Genuine Snake Oil Company Pty Ltd <Morson Group Super Fund A/C>	650,000	0.76
12	Mr Gerald Francis Pauley + Mr Michal James Pauley <Pauley Super Fund A/C>	421,982	0.49
13	James Moffat	394,578	0.46
14	Ms Linlin Li	317,572	0.37
15	MFA Capital Pty Ltd <T & J Adams Super Fund A/C>	300,000	0.35
16	Mr Rhett Anthony John Morson	300,000	0.35
17	Somersby Springs Pty Ltd <Penn Super Fund A/C>	300,000	0.35
18	Winpar Holdings Limited	300,000	0.35
19	Mr Graham Max Alexander Hastilow + Mrs Julia Mary Hastilow <Wolitsah Super Fund A/C>	280,518	0.33
20	Mr Philip James Quinn + Mr Roger David Elliot Masters <PJ Quinn Super Fund A/C>	267,340	0.31
	Report Total	**73,212,240**	**85.12**
	Remainder	**12,809,620**	**14.89**
	Grand Total	**86,021,860**	**100.00**

(C) SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders are:

	Number of Shares
Asia Mark Development Limited	28,792,625
Mr John Cheadle	13,639,918
Citicorp Nominees Pty Limited	11,278,759
Randell Management Services Pty Ltd <Timms Super Fund Account>	5,117,928

All ordinary shares (all fully paid) carry one vote per share without restriction.

CORPORATE INFORMATION

ABN 68 010 978 800
ASX Code: BUG

Directors
Guy Cowan (Chairman)
Christina Chen
Peter O'Keeffe
Dennis Lin

Chief Executive
Andrew Bond

Company Secretary
Nicole Nolan

Senior Management
Joel Wood (Group Operations Officer)

Auditors
PricewaterhouseCoopers

Solicitors
Thomson Geer Lawyers

Bankers
Rabobank Australia Limited
Westpac Banking Corporation
Bank of Hawaii

Share Register
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Telephone: 1300 850 505 (within AUS)
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Facsimile: (03) 9473 2500
www.investorcentre.com/contact

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