

# ***Buderim Ginger Limited***



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# Buderim Ginger Limited

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## ANNUAL GENERAL MEETING

The Annual General Meeting of Buderim Ginger Limited will be held at the Country Comfort Lennons Hotel, Brisbane, 67-76 Queen Street, Brisbane on Tuesday 30 April 2002 at 10:00 am. The business of the meeting is outlined in the formal Notice of Meeting and Proxy Form which are enclosed with this report.

Established in 1941 as a grower co-operative, Buderim Ginger Limited has grown to become the world's leading producer of confectionery ginger. The company's core activity is the processing and marketing of a range of specialty ginger products. Buderim's competitive advantage is its reputation as "the world's finest ginger" which is continually reinforced by the quality of its products and service.

Buderim Ginger employs over 200 people through its head office and major processing plant on the Sunshine Coast in Queensland, Australia, and through secondary processing facilities in Fiji. The company has the capacity to process over 5,500 tonnes of raw ginger per annum. Currently, over 75% of production is based in Australia with the remainder from the company's Fijian operation.

As part of an aggressive export focus, Buderim Ginger maintains international representation in more than 17 countries and operates sales and distribution offices in: London, UK; Hamburg, Germany; and New Jersey, USA.

A large proportion of the ginger products processed by the company are marketed to industrial customers in the confectionery, beverage and food industries around the world. Of increasing importance is the company's innovative range of "Buderim Ginger" branded retail products which include jams, toppings, cordials, crystallised ginger and ginger slices. These products are marketed through supermarkets and retail outlets in Australia and overseas. Exports currently represent more than 60% of total group sales, with key overseas markets being North America, the United Kingdom, Germany and the Benelux countries, New Zealand and Japan.

In recent years, the company has actively underpinned its competitive position in both domestic and export markets through an intensive capital investment program to update its manufacturing and distribution infrastructure. Buderim Ginger is a quality endorsed company holding Quality Accreditation AS 3501-ISO9001 and is actively implementing a HACCP-based food safety plan.

In addition to its traditional ginger processing activities, Buderim Ginger operates one of the Sunshine Coast's most popular and most highly awarded tourist attractions "The Ginger Factory."

# Year in Review

## HIGHLIGHTS

- Revenue increased by 8.4% to \$30,641,000
- Profit After Tax increased by \$2.9 million to \$1,284,000
- Earnings per share increased from (7.70) cents to 6.14 cents
- Improvement in manufacturing performance at both factories
- Successful implementation of overhead cost reductions from late 2000 and during 2001
- Executive management changes, including a new Chief Executive and Production and Technical Managers
- Strong industrial sales performance in Europe, the United Kingdom, and Australia
- Continued strong growth in Buderim Ginger branded retail products
- Scaling up of the Company's US subsidiary to handle national sales and distribution functions after the termination of the Company's principal US distributor agreement
- Agreement reached with Johannes Lühders KG for the sales and distribution of Buderim products in the EC (excluding the UK and the Netherlands) from 2002.

**“the company has actively underpinned its competitive position in both domestic and export markets through an intensive capital investment program”**

## FINANCIAL SUMMARY

	2001 \$000	2000 \$000	1999 \$000	1998 \$000	1997 \$000
Revenue	30,641	28,256	28,017	25,559	23,242
Profit (loss) before income tax expense	1,688	(1,757)	1,634	937	1,618
Net profit (loss) after income tax expense	1,284	(1,611)	1,095	719	1,181
Total assets	28,512	28,271	28,303	22,534	21,369
Dividends declared/Recommended	628	-	837	793	933
Earnings per share (cents)	6.14	(7.70)	5.34	3.82	6.33
Net tangible asset backing (cents)	79	76	85	83	84
Dividend per share	3	-	4	4	5

# Chairman's Report

At an Extraordinary General Meeting on 20/21 February 2002, I was privileged to be given the opportunity by the shareholders to join the Board of Buderim Ginger Limited. I am fortunate in being joined on the Board by fellow new Directors: Shane Templeton; Doris Crerar; and Stephen Maitland. Complementing this new team is the Company's Managing Director, Gerard O'Brien, who has now been with the Company for just over one year.

The new Board has committed itself to work tirelessly to improve shareholder returns. As promised, we are conducting a full review of the Company's current operations and long term strategy prior to the Annual General Meeting on 30th April.

While pleased with the Company's return to profitability in 2001, the new Board is confident of further improvement in operating performance in the years ahead. This confidence comes from our deep seated belief in the long term potential of this business to dominate this unique global industry. Equally, we have been impressed by the significant strides the Company has taken in building a strong and credible retail brand and are encouraged by the opportunity this provides.

I would also like to recognise the efforts of our Managing Director, Gerard O'Brien, his management team and, of course, the staff of Buderim Ginger in delivering this substantial improvement in business performance. In doing so, the new Board also acknowledges the work of the previous Board in overseeing the Company during a difficult period.

The Board recognises the importance of a strong and sustainable dividend stream to our shareholders and is pleased to recommend a fully franked dividend of 3 cents per share in respect of the year to 31 December 2001.

I look forward to sharing the new Board's vision for Buderim Ginger Limited with shareholders on 30th April 2002.



JOHN RUSCOE

*Chairman*

# Managing Director's Report

Buderim Ginger made good progress across all areas of its operations in the year to 31 December 2001. After the difficult trading conditions experienced in 2000, the Company focused on rebuilding its financial position in 2001.

While the Company faced new and ongoing challenges during the year, the improved financial performance, which saw after-tax earnings increase by just under \$3m to \$1.284m, reflects improved performance in the basic drivers of the business. Earnings of 6.14 cents per share stand in stark contrast to the previous year of (7.70) cents and have provided the opportunity for dividend payment to be resumed.

Pleasingly, the group recorded an 8.4% increase in revenue to \$30.641m which was achieved through equally strong gains in both our export and domestic markets. This strong sales growth, combined with the improvement in profit margins through operating cost control and overhead reduction, underpinned the lift in operating profit.

The Company deliberately focused on "the basics" in 2001, such as productivity, customer service, wastage and overhead costs. This proved to be a rewarding approach as we improved performance in virtually every aspect of our business. In our core business of confectionery ginger supply, we recorded impressive gains in both Australia and Fiji. Our two manufacturing plants are now operating more efficiently. Similarly, our retail branded business, mainly focused in Australia, continued its growth path and our Tourism facility, *The Ginger Factory*, achieved record results in visitor numbers, sales and profits. The Company also made significant gains in its debt financing position and commenced a program to further improve working capital in the business.

While progress in underlying profitability during 2001 was good, we recognise there are further efficiencies to be realised. The restoration of stability in the operating performance of the business provides us with the platform to make these operating gains and also to profitably grow the business. I am looking forward to working with the new Board in laying out the strategy that will see us maintain and enhance our position as the global leader in confectionery ginger.

Our major areas for focus in the near term are:

- Leveraging both the "Buderim" brand and the Company's international sales and distribution infrastructure to deliver ongoing profitable sales growth;
- Investment in process improvements designed to deliver substantial productivity gains while never compromising Buderim Ginger's premium position as "The World's Finest Ginger"; and
- Improving the Company's cash management position through progressive inventory reduction and simplification of administrative and supply chain tasks.

I would like to pay my personal tribute to the staff of Buderim Ginger who continually demonstrate their commitment to and passion for the business everyday. I thank each and every one of them for their support in 2001 and recognise that it is through their efforts and those of our suppliers and customers that Buderim Ginger, the World's Finest Ginger, is the global leader.



GERARD O'BRIEN

*Managing Director and Chief Executive*



# Review of Operations

## PROFITABILITY

For the year to 31 December 2001, net operating profit before-tax increased to \$1.688m from a loss of \$1.757m the previous year. The company's operating profit after-tax increased to \$1.284m from a loss of \$1.611m the previous year, with earnings per share increasing from (7.70) cents to 6.14 cents for the year.

A final dividend of 3 cents (fully franked) is proposed by directors, representing a total payout of \$628,000. No interim dividend was paid. Record date for dividend entitlement is close of business 3 May, 2002.

The Company continued to face an increasingly competitive market in 2001, featuring major competitors from China, Fiji, Thailand, Indonesia and most recently, Australia. Despite the intensifying competition, particularly from low cost countries, Buderim Ginger was able to improve performance across its business. Solid sales growth was supported by improvements in the cost base of the total business.

## EXPORT SALES

Export sales grew by 9.8% in 2001 to \$16.3 m. While undoubtedly supported by the low Australian dollar, this performance reflects an improved focus on customer service and product quality.

During the year, an agreement to transfer responsibility for European distribution to the German-based company, Johannes Lühders KG was negotiated. The agreement will take effect in early 2002. This well respected distributor and manufacturer has extensive retail connections in all key European markets. These widespread connections will be utilised to launch Buderim's retail range into German and other western European markets over the coming years.

Initiatives to recover marketshare in the UK proved successful, with solid increases in sales achieved in Buderim Ginger's traditional and still largest export market. Some initial retail market penetration was achieved in the UK, and the company's goal in 2002 will be to build a stronger presence for its branded retail range.

In November, Buderim's organic ginger and Green Ginger Puree were promoted at the Food Ingredients Europe Exhibition. The first sales of certified organic ginger were achieved in the UK in 2001, and the company is confident of further strong sales gains from this product in 2002 as

well as new sales in both Europe and North America. There is also a decided opportunity for the company's puree, particularly through the rapid growth of fresh ethnic ready meals in these markets.

In the US, the changeover of distribution from Royal Pacific Foods to Buderim Ginger was successfully completed. There was a resultant softening in sales during the period of transition which was further compounded by a decline in overall demand due to logistical constraints in the aftermath of September 11. Sales in the second half of 2001 in North America consequently were well down on forecast. However, the US market remains the company's greatest growth opportunity.

We are confident that our extensive and on-going marketing, customer relations and trade publicity program focusing on the US distribution change will lead to wider opportunities for the company's industrial and retail products in the years ahead. The company is expending considerable effort on promoting the wide ranging product applications of ginger within this market. Among the major promotional activities undertaken over the past 12 months were:

- participation in the largest Australian food promotion ever in the US, "Taste of Australia", which reached an estimated audience of 70 million
- involvement in Austrade's "Annual Harvest" promotion targeting New York food media
- exhibiting Buderim Ginger's range at the Natural Products Expo at the Anaheim Convention Centre

To create greater distribution efficiencies and to support a widening of the company's industrial and retail push, the US is now serviced by two contracted warehouses on either side of the country. A network of distributors is being appointed to cover the key geographic regions.

The Asia Pacific region which is largely serviced by agents, achieved steady sales gains. While the Company will continue to focus on its three major export regions, we will not neglect the opportunities provided closer to home.

The long term growth potential for ginger in western markets is very high due to its underlying health benefits. Coupled with the growth of the global functional and nutraceutical food sectors, and continued studies into ginger's wide-ranging health benefits, Buderim Ginger expects to capitalise on the burgeoning opportunities for premium ginger-based products.

## “2001 proved the company's most successful year to date with supermarket sales of Buderim Ginger branded products up more than 30%”

The versatility of ginger's sweet and savoury flavouring attributes is leading to increased product trials at the manufacturing level, and Buderim will continue its leading status as an innovator in new product development for the global retail and manufacturing industries.

### DOMESTIC SALES

Domestic sales grew by 8.5% in 2001 to \$11.3 m. This performance reflects the Company's improved standing in branded retail sales as well as the increased profile of ginger as a flavour/ingredient by the general Australian food industry.

There are clear indications emerging of more sustained demand for product from Australia's industrial and food services sector. In 2001 an increased number of domestic food manufacturers incorporated a broader range of Buderim Ginger products in their product trials.

In line with global growth trends, the company expects strong demand in 2002 for its industrial range in the areas of simmer sauces, cakes, desserts, dips and snacks.

From the retail perspective, 2001 proved the company's most successful year to date with supermarket sales of Buderim Ginger branded products up more than 30% over the previous year.

Pleasingly, the strongest retail growth occurred in Australia's two largest marketplaces, New South Wales and Victoria. These states offer enormous market potential for further sustained growth and as such will be treated as 'priority' targets for the company.

While virtually all branded products sold strongly, “stand-out” performances were achieved by Ginger Refresher and Sucrose Free Glacé Ginger. Improved packaging for the latter product was introduced in September 2001 which further strengthened consumer uptake of this product and helped push sales 80% higher than the previous year.

Two new supermarket lines - Glacé Ginger and Fine Diced Ginger - were released in similar “family style” packaging to the Sucrose Free products, in 2001.

The company received a state “Gold” award and a national “Commended” award from the Public Relations Institute of Australia for its recent PR campaign to Australia's food press.

The company anticipates further solid growth in Australian retail sales in 2002. This growth will be underpinned by continued expansion of the distribution arrangements and by the acknowledged strength of the Buderim brand which receives great support from the nation's retailers.

### TOURISM

Our Tourism facility, “The Ginger Factory”, enjoyed its most successful year ever. Visitor numbers exceeded 400 000 for the first time. Accordingly, sales and profitability also reached record levels. Sales in the Ginger Shop increased by 8% on 2001. Much of the improvement was due to the success of the themed Festivals that were conducted at the site: The Ginger Flower Festival, held in January; and the Spice of Life Festival held in July. The Flower Festival is a key element of the marketing strategy as a means of attracting first time visitors from new market segments. Its success and profile was recognised in the Queensland Tourism Awards, with a finalist award, and by the Queensland Events Corporation awarding a grant to further develop the event for the region.

Buderim's dedicated retail outlet, the Buderim Ginger store at Indooroopilly Shoppingtown experienced sales growth in 2001 while also benefiting from tighter cost controls. The venture has had a difficult history financially but is an ideal marketing tool for the Buderim name and range. During 2002, Buderim Ginger will review the format of its direct retail offer for the years ahead.

# Review of Operations

## FIJIAN OPERATIONS

Buderim Ginger's Fijian operation, Frespac, achieved 33% sales growth to A\$5.3 m, principally driven by increased volumes into Europe and New Zealand. Underlying these gains was a renewed focus on product quality of Frespac's core product range. Other areas of gain in 2001 were in the simplification of the manufacturing operations and overhead cost reduction. Specifically, the Company wound up its experimental farming operation and it eliminated one level of management.

Given the competitive environment in which the Fijian product competes, there will be a continued drive to maintain Fiji's "low cost" status. Allied with this, the Company will continue its efforts to lift the skill levels of its production team to ensure adequate process controls are maintained.

## PRODUCTION

Over the past year, the Buderim production team re-focused on its key operational drivers, such as seconds percentage, throughput and syruing uptake.

With the increased emphasis and scrutiny, good gains were made in most key production areas.

While delivering cost improvements in its production facility, Buderim also reinforced its promise as the 'World's Finest Ginger' through continued improvements in its product quality and consistency.

The company is in the process of implementing a HACCP-based food safety plan which has received strong support from customers from around the world.

The Company also generated improvements in its measured level of customer service. Specifically, thanks to a change in philosophy to a "manufacture to forecast" regime, substantial improvements in 'DIFOT' (delivered in full, on time) were achieved. This philosophy also supported greater production efficiencies.

## OUTLOOK

The outlook for 2002 is for relatively flat revenue due to the uncertainty surrounding the competitive situation in the USA and the projected harvest shortfall created by the unseasonably dry conditions during the summer growing season in the Sunshine Coast hinterland, where the Australian industry is based.

Buderim Ginger does however expect moderate earnings growth from the improved cost base that its ongoing productivity improvements will deliver.

Further investment will be required in our processing facility during 2002 and beyond to drive better cost efficiencies and to facilitate the necessary lift in food safety standards.

The company will also further invest in information systems to improve customer service levels while reducing administrative complexity.

Over the longer term, Buderim will continue to reinforce its standing and position as the maker of the 'World's Finest Ginger' and market Buderim Australian Ginger as the premium product available in the global market, while maintaining the Frespac product as a leader in the competitive "commodity" markets.

In conjunction with the new Board, Buderim's management team will continue to develop and implement its strategy that will maintain and enhance its position as the global leader in confectionery ginger.



# Directors' Report

Your directors submit their report for the year ended 31 December 2001.

## DIRECTORS

The names and details of the directors of the company in office at the date of this report, are:

### **Names, qualifications, experience and special responsibilities**

#### **John M. Ruscoe**

##### ***Chairman (appointed 21 February 2002)***

##### ***Chairman of the Remuneration Committee***

Mr Ruscoe was elected by shareholders to replace Mr Graham as a director of Buderim Ginger Limited, at the Extraordinary General Meeting held on 20th and 21st February, 2002. He was previously Chief Executive Officer of Buderim Ginger Limited and the previous co-operative for the period 1982 to 1994. During this period he was also General Manager of Australian Golden Ginger Pty Ltd and of The Ginger Marketing Board. Before joining the Buderim Ginger Growers' Co-operative he held executive positions in the chemical industry in Fiji, Australia and New Zealand. He is a graduate of The New Zealand Institute of Management in Business Administration.

#### **Gerard D. O'Brien** B Admin. MBA (Georgetown), CPA

##### ***Managing Director (appointed 5 March 2001)***

Mr O'Brien was appointed Managing Director and Chief Executive of Buderim Ginger Limited on 5 March 2001. His previous role was Business Development Director for Goodman Fielder Milling based in Sydney. Mr O'Brien has many years management experience in the Australian food industry with Defiance Mills, Bunge-Defiance and Goodman Fielder. Mr O'Brien completed an MBA at Georgetown University USA in 1992 after a finance career in the construction industry.

#### **Stephen J. Maitland** B.Econ. FCPA, FAIBF, FCIS, FAIM, FAICD

##### ***Chairman of the Audit & Compliance Committee***

Mr Maitland was appointed to fill a casual vacancy on 26 February 2002. He has had over 28 years experience in the banking and finance industries, and is the principal of Delphin Associates. He holds directorships with Tarong Energy Corporation Ltd, Grand United Friendly Society Ltd, Electricity Supply Industry Superannuation (Qld) Ltd, Centrepoint Finance Group of Companies and Corporate Influences Pty Ltd. Mr Maitland is the Honorary Treasurer of the Surf Life Saving Foundation Inc., and a Councillor of the Royal National Agricultural & Industrial Association of Queensland.

#### **Doris Crerar**

##### ***Member of the Remuneration Committee***

Mrs Crerar was elected by shareholders to replace Mr Spencer as a director of Buderim Ginger Limited, at the Extraordinary General Meeting held on 20th and 21st February, 2002. She commenced employment with the Buderim Ginger Growers' Co-operative in 1950 and retired in 1989. During her early employment with the Co-operative, Mrs Crerar was appointed Secretary to the Board of the Buderim Ginger Growers Co-operative Association and The Ginger Marketing Board in 1954. In 1967 she became Production Manager and in 1971 was appointed an Associate Director in recognition of her outstanding service to the ginger industry.

#### **Shane T. Templeton** B.Bus.

##### ***Member of the Audit & Compliance Committee***

Mr Templeton was elected by shareholders to replace Mr Everingham as a director of Buderim Ginger Limited, at the Extraordinary General Meeting held on 20th and 21st February, 2002. Mr Templeton is a third generation ginger grower and is professionally qualified with a business degree. He has been growing ginger since 1991 and has held the position of Honorary Secretary of the Australian Ginger Growers Association for 4 years. Mr Templeton is a director of Hatterwick Pty Ltd and Templeton Holdings (Qld) Pty Ltd.

# Directors' Report

The names and details of the directors of the company in office during the financial year under review, and up until 21 February 2002, were:

## **Names, qualifications, experience and special responsibilities**

**D.D.H. Graham** B.Com., B.Econ. (Hons), MBA., FCPA

**Chairman (appointed Chairman 30 January 2001) (ceased 21 February 2002)**

**Member of the Audit & Compliance Committee**

Mr Graham has been a non-executive director since September 1995 and was elected chairman in January 2001. Mr Graham is the chairman and major shareholder in DDH Graham Limited, a financial advisory and funds management company located in Brisbane. He has a bachelor of commerce and a bachelor of economics degree with honours from the University of Queensland and a Master of Business Administration degree from Lehigh University, USA. He is a Fellow of the Australian Society of Certified Practising Accountants. His company, then part of Suncorp Investment & Finance, helped convert Buderim Ginger to a public company in 1989. Mr Graham is also a director of Centro Properties Group.

**R.F. Cormie** B.Com., AAUQ, CPA, FSIA, FAICD

**Deputy Chairman & Chairman of the Audit & Compliance Committee (resigned 21 February 2002)**

Mr Cormie joined the board of Buderim Ginger Limited in 1991, and was appointed deputy chairman in 1995. He is a director of Magellan Petroleum Australia Limited, Bligh Oil & Minerals N.L. (Group), Suncorp-Metway Limited, Suncorp-Metway Insurance Limited, Suncorp Life & Superannuation Limited, and Techniche Limited. Mr Cormie has a bachelor of commerce degree from the University of Queensland, is a member of CPA Australia, and is a Fellow of the Securities Institute of Australia and of the Australia Institute of Company Directors. Mr Cormie was a partner of A.L. Nevitt Draper & Co Stockbrokers and a member of the Brisbane Stock Exchange for the period

1962 to 1969. He held the position of chief executive officer and executive director of Bligh Ventures Ltd, a provider of seed capital and management support to start up companies covering tourism, technology, quarries, ready mix concrete, roof & floor tiles, mineral and oil exploration and property development, for the period 1969 to 1996. Non-executive directorships cover industries such as food manufacture, petroleum, technology, insurance and banking.

**A.R. Everingham** HDA

**(ceased 21 February 2002)**

Mr Everingham has been a director of Buderim Ginger Limited and the previous co-operative since 1983.

He resigned as chairman on 30 August 1996 after having served 11 years in that position but remained a director.

Mr. Everingham graduated in agriculture from Hawkesbury College in New South Wales. He had extensive farming and grazing experience throughout Queensland prior to commencing ginger farming in 1981.

**J.C.S. Spencer** B.Com.

**Member of the Audit & Compliance Committee (ceased 21 February 2002)**

Mr. Spencer was appointed a director of Buderim Ginger Limited in March 1996. Mr. Spencer has extensive experience in both retail and wholesale marketing and business management and has held both executive and non-executive directorships with Mathers Enterprises Limited, Queensland Independent Wholesalers, Austoft Industries Limited and Burnett Valley Holdings, of which he is Chairman. His career has spanned footwear retailing, wholesale grocery distribution, manufacture and marketing of agricultural machinery both domestically and internationally, and agri-business with emphasis on hide tanning and feed mills.

Mr Jack Cain and Mr Yee Wah Sing resigned as directors on 27 April 2001.

### Interests in the shares of the company and related bodies corporate

As at the date of this report the interests of the directors in the shares of the company and related bodies corporate were:

	<b>Buderim Ginger Limited Ordinary Shares Fully Paid</b>
J.M. Ruscoe	400
G.D. O'Brien	-
S.J. Maitland (1)	-
D. Crerar	11,200
S.T. Templeton (2)	1,202

(1) Mr S.J. Maitland holds a relevant interest in 5,000 shares registered in the name of S.J. Maitland & F.P. Maitland (Maitland Family Superannuation Fund).

(2) Mr S.T. Templeton holds a relevant interest in 31,708 shares registered in the name of Templeton Holdings (Qld) Pty Ltd, 108,239 shares registered in the name of Hatterwick Pty Ltd, and 1,029,294 shares registered in the name of Hatterwick Pty Ltd (Templeton Family Account).

### PRINCIPAL ACTIVITIES

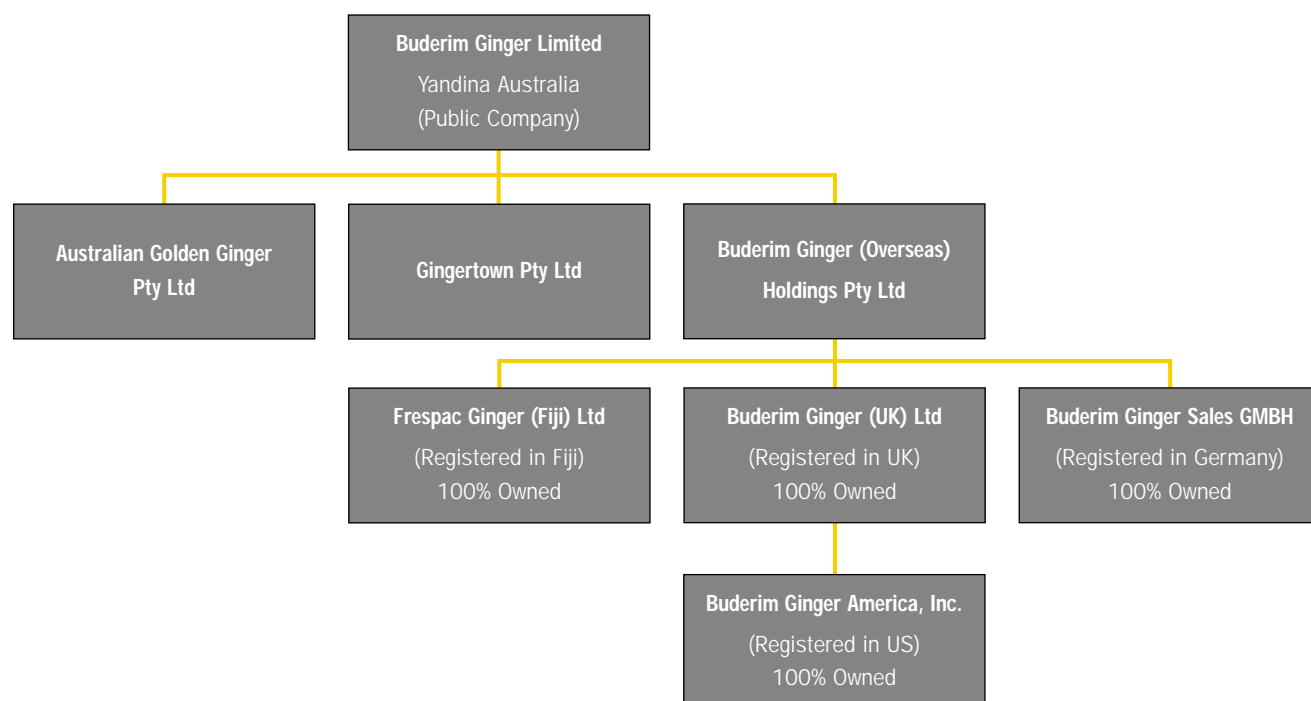
The principal activities during the year, of entities within the consolidated entity were the manufacture and distribution of ginger products, and tourism. There have been no significant changes in the nature of those activities during the year.

### RESULTS AND DIVIDENDS

	2001 \$'000	2000 \$'000
<b>Consolidated Results</b>		
Consolidated entity profit/(loss) after tax	1,284	(1,611)
<b>Earnings per Share</b>		
	<b>cents</b>	<b>cents</b>
Basic earnings per share (Diluted earnings per share does not differ from basic earnings per share)	6.14	(7.70)
<b>Dividends</b>		
	<b>\$'000</b>	<b>\$'000</b>
Final dividends recommended	628	-
Dividends paid in the year:		
Interim for the year	-	-
Final for 2000 shown as recommended in the 2000 report (ordinary shares)	-	419

# Directors' Report

## CORPORATE INFORMATION



### Corporate structure

Buderim Ginger 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 the above illustration of the group's corporate structure.

### Employees

The consolidated entity employed 190 employees as at 31 December 2001 (2000: 247 employees). The number of employees will vary from year to year due to seasonal factors, for example, in December 2001, 52 casuals were not required in the Fiji operation and were stood down for a few months.

## REVIEW OF OPERATIONS

A detailed review of operations is contained on pages 4 to 6 of the annual report.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Mr D.D.H. Graham was elected Chairman on 30 January 2001. Mr J.O. Cain and Mr Y.W. Sing resigned as directors on 27 April 2001.

Mr G.D. O'Brien was appointed as Managing Director on 5 March 2001.

An Extraordinary General Meeting was held on 20th and 21st February, 2002 at which the directorships of D.D.H. Graham, A.R. Everingham and J.C.S. Spencer were ceased and directors J.M. Ruscoe, D. Crerar and S.T. Templeton were appointed by shareholders.

Mr S.J. Maitland was appointed on 26 February 2002 to fill the casual vacancy created by Mr R.F. Cormie's resignation as director on 21 February 2002.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In the first quarter of 2002, Buderim Ginger Sales (GmbH) is to be sold to agents Johannes Lühders Kg, Germany who have been appointed as exclusive agents for marketing and selling of Buderim Ginger products in the European community countries excluding the British Isles and Netherlands. There will be no profit or loss on sale of the subsidiary as all assets and liabilities are to be assigned to the parent entity at the sale date.

Other than the outcome of the Extraordinary General Meeting referred to as a significant change in the state of affairs above, it is the opinion of the directors, that there were no other significant changes in the state of affairs of the economic entity that occurred during the financial year under review not otherwise disclosed in this report or the financial reports.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Directors foresee the level of profitability achieved in 2001 being sustained and potentially improved upon in 2002.

Further improvement will be achieved by:

- Leveraging both the “Buderim” brand and the Company’s international sales and distribution infrastructure to deliver ongoing profitable sales growth;
- Investment in process improvements designed to deliver substantial productivity gains while never compromising Buderim Ginger’s premium position as “The World’s Finest Ginger”; and
- Improving the Company’s cash management position through progressive inventory reduction and simplification of administrative and supply chain tasks.

While the Company will be facing some competition from a newly established local producer of confectionery ginger, directors are confident of retaining the company’s share of the growing world market and its premium quality and pricing position.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity holds licences issued by the Environmental Protection Agency which specify limits for discharges to the environment which are due to the consolidated entity’s operations. These licences 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.

There have been no significant known breaches of the consolidated entity’s licence conditions.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the company has paid premiums in respect of a contract insuring all the directors of Buderim Ginger 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 182 and 183 of the Corporations Act 2001.

The total amount of insurance contract premiums paid was \$17,294.

## DIRECTORS’ AND OTHER OFFICERS’ EMOLUMENTS

The board annually determines the remuneration for executive and non-executive directors and for senior management.

The board assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions and the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

To assist in achieving corporate objectives, the board links the amount of executive director and senior management emoluments to the company’s financial and operational performance. Senior executives have the opportunity to qualify for performance bonuses where specified criteria are met including criteria relating to departmental and corporate performance. The chief executive officer may also be entitled to a share distribution under the employee incentive scheme approved by shareholders on 27 April 2001.

# Directors' Report

Details of the nature and amount of each element of the emolument of each director of the company and each of the five executive officers of the company and the consolidated entity receiving the highest emoluments for the financial year are as follows:

	Annual Emoluments			Long Term Emoluments		
	Non-Executive Directors	Executive Remuneration	Bonus	Committee Fees & Other	Superannuation Paid	Leave Accruals On Hand
	\$	\$	\$	\$	\$	\$

Emoluments of directors of Buderim Ginger Limited

D.D.H. Graham	47,417	-	-	500	3,793	-
J.O. Cain	37,501	-	-	-	3,000	-
R.F. Cormie	23,667	-	-	500	1,893	-
A.R. Everingham	23,000	-	-	-	1,840	-
J.C. Spencer	23,000	-	-	911	1,840	-
Yee Wah Sing	6,333	-	-	-	507	-
G.D. O'Brien (i)	-	127,765	-	29,295	19,165	8,971

Emoluments of the five most highly paid executive officers of the company and the consolidated entity

P. Bialkowski	-	142,958	39,298	25,611	34,198	-
P.G. Ritchie	-	121,100	24,220	21,897	12,110	27,956
A. Chinlyn	-	187,879	-	14,504	-	-
R. Kaiser	-	94,760	96,922	-	-	-
K. Rogers	-	92,100	-	21,609	9,194	29,989

The terms 'director' and 'officer' have been treated as mutually exclusive for the purpose of this disclosure.

The elements of emoluments have been determined on the basis of the cost to the company and the consolidated entity.

Executives are those directly accountable and responsible for the operational management and strategic direction of the company and the consolidated entity.

The category 'Other' includes the value of any non-cash benefits provided, such as fully maintained motor vehicle, professional membership subscriptions and/or board sub-committee fees.

As at 26 February 2002, a board remuneration committee was established.

- (i) Under an employee incentive scheme shareholders approved the issue to the Managing Director of a maximum of 100,000 shares per annum over a period not more than three years from 27 April 2001.



## 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	Meetings of Committees
		Audit & Compliance
Number of meetings held:	13	2
Number of meetings attended:		
D.D.H. Graham	13	2
R.F. Cormie	12	2
G.D. O'Brien	12	
A.R. Everingham	13	
J.C.S. Spencer	12	2
J.O. Cain	4*	
Yee Wah Sing	4*	

\* J.O. Cain and Yee Wah Sing resigned on 27 April 2001.

As at the date of this report, the company has an Audit & Compliance Committee.

The members of the Audit and Compliance Committee during 2001 and up to 21 February 2002, were:

R.F. Cormie (Chairman)  
D.D.H. Graham  
J.C.S. Spencer

The members appointment to Committees of the Board of Directors on 26 February 2002, were:

### Audit & Compliance

S.J. Maitland (Chairman)  
S.T. Templeton

### Remuneration

J.M. Ruscoe (Chairman)  
D. Crerar

## ROUNDING

The amounts contained in this report and in the financial statements have been rounded off under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

## CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Buderim Ginger Limited support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained on pages 45 and 46 of this annual report.

Dated at Yandina this 11 March 2002.

Signed in accordance with a resolution of the directors.



J.M. Ruscoe  
Director

Yandina, 11 March 2002.

# Statement of Financial Performance

Year Ended 31 December 2001

	Note	Consolidated		Buderim Ginger Limited	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Revenue from operating activities	2	<b>30,641</b>	28,256	<b>25,960</b>	24,907
Expenses from operating activities excluding borrowing costs, depreciation and amortisation	3	<b>27,108</b>	26,540	<b>23,998</b>	24,009
Earnings before borrowing costs, tax, depreciation and amortisation (EBITDA)		<b>3,533</b>	1,716	<b>1,962</b>	898
Borrowing costs expense	3	<b>605</b>	640	<b>499</b>	494
Depreciation and amortisation expense	3	<b>1,240</b>	1,351	<b>851</b>	925
Profit/(loss) from operating activities		<b>1,688</b>	(275)	<b>612</b>	(521)
Expenses from non-operating activities	3	-	1,482	-	1,172
Profit/(loss) before income tax expense		<b>1,688</b>	(1,757)	<b>612</b>	(1,693)
Income tax expense	4	<b>404</b>	(146)	<b>183</b>	(200)
Net profit/(loss) from operating and non-operating activities after related income tax expense		<b>1,284</b>	(1,611)	<b>429</b>	(1,493)
Basic earnings per share (cents per share)	27	<b>6.14</b>	(7.70)		
Franked dividends per share (cents per share)	5	<b>3.00</b>	-		

# Statement of Financial Position

At 31 December 2001

	Note	Consolidated		Buderim Ginger Limited	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Current Assets</b>					
Cash assets		660	434	141	81
Receivables	6	5,915	6,585	5,000	5,997
Inventories	7	10,948	9,864	9,827	8,320
Other	8	304	270	299	258
<b>Total Current Assets</b>		<b>17,827</b>	<b>17,153</b>	<b>15,267</b>	<b>14,656</b>
<b>Non-Current Assets</b>					
Receivables	9	-	-	654	1,653
Property, plant and equipment	11	10,051	10,185	8,075	7,826
Intangible assets	12	298	293	134	113
Deferred tax asset	4	305	430	305	430
Other	13	31	357	31	355
<b>Total Non-Current Assets</b>		<b>10,685</b>	<b>11,265</b>	<b>9,199</b>	<b>10,377</b>
<b>Total Assets</b>		<b>28,512</b>	<b>28,418</b>	<b>24,466</b>	<b>25,033</b>
<b>Current Liabilities</b>					
Payables	14	3,342	3,505	3,437	3,507
Interest-bearing liabilities	15	2,387	5,923	2,478	5,923
Current tax liability	4	419	35	223	-
Provisions	16	1,346	764	1,346	764
Other	33,34	8	8	8	8
<b>Total Current Liabilities</b>		<b>7,502</b>	<b>10,235</b>	<b>7,492</b>	<b>10,202</b>
<b>Non-Current Liabilities</b>					
Interest-bearing liabilities	17	3,809	1,534	2,817	377
Deferred tax liability	4	289	380	289	380
Provisions	18	89	102	81	88
<b>Total Non-Current Liabilities</b>		<b>4,187</b>	<b>2,016</b>	<b>3,187</b>	<b>845</b>
<b>Total Liabilities</b>		<b>11,689</b>	<b>12,251</b>	<b>10,679</b>	<b>11,047</b>
<b>Net Assets</b>		<b>16,823</b>	<b>16,167</b>	<b>13,787</b>	<b>13,986</b>
<b>Equity</b>					
Contributed equity	19	12,911	12,911	12,911	12,911
Reserves	20	567	567	655	655
Retained profits	20	3,345	2,689	221	420
<b>Total Equity</b>		<b>16,823</b>	<b>16,167</b>	<b>13,787</b>	<b>13,986</b>

# Statement of Cash Flows

Year Ended 31 December 2001

	Note	Consolidated		Buderim Ginger Limited	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Cash Flows From Operating Activities</b>					
Receipts from customers		31,883	27,252	27,608	24,557
Payments to suppliers and employees		(29,424)	(26,314)	(26,704)	(24,707)
Other income		505	668	451	560
Interest received		4	15	-	9
Borrowing costs		(605)	(595)	(499)	(491)
Research and development expenditure		(39)	(134)	(39)	(134)
Goods and services tax paid		(150)	(114)	(150)	(114)
Income tax received		221	-	221	-
Income tax paid		(124)	(784)	-	(629)
Net Cash Flows From/(Used In) Operating Activities	21	2,271	(6)	888	(949)
<b>Cash Flows From Investing Activities</b>					
Acquisition of property, plant and equipment		(784)	(1,152)	(774)	(580)
Proceeds from sale of property, plant and equipment		21	12	7	12
Trademark registrations		(30)	(41)	(29)	(43)
Cash used in short term deposits		(900)	(3,000)	(900)	(3,000)
Proceeds from short term deposits		900	3,000	900	3,000
Repayment of loan from related party		(94)	(184)	-	-
Loans repaid by other entities		-	-	1,188	-
Other		-	(1)	-	846
Net Cash Flows From/(Used In) Investing Activities		(887)	(1,366)	392	235
<b>Cash Flows From Financing Activities</b>					
Proceeds from borrowings		-	1,500	-	1,500
Repayment of borrowings		(1,159)	(16)	(1,129)	-
Repayment of finance lease principle		(117)	(151)	(122)	(151)
Dividends paid		-	(418)	-	(418)
Net Cash Flows From/(Used In) Financing Activities		(1,276)	915	(1,251)	931
Net Increase/(Decrease) In Cash Held		108	(457)	29	217
Add opening cash brought forward		332	789	(21)	(238)
<b>Closing Cash Carried Forward</b>	21	440	332	8	(21)

# Notes to and forming part of Accounts

Year Ended 31 December 2001

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial report has been prepared in accordance with the historical cost convention, except for freehold land which is measured at the revalued amount.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

### Change in accounting policies

Accounting policies adopted are consistent with those of the previous year except for the accounting policies with respect to the revaluation of non-current assets and recoverable amount of non-current assets.

The consolidated entity adopted Accounting Standards AASB 1041 "Revaluation of Non-Current Assets" and the revised AASB 1010 "Recoverable Amount of Non-Current Assets" on 1 January 2001. Under the transitional provisions of these standards, the directors have made the election to carry all site improvements and plant and equipment at their deemed cost, being the carrying value of these assets.

During the year, the estimation method for determining the recoverable amount of non-current assets was reviewed. The decision was taken to retain the current method of determining the recoverable amount of assets. This method is based on future assessments of discounted cash flows from the operation of assets.

As a result of the first time application on 1 January 2001 of the revised Accounting Standards AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosures" and AASB 1040 "Statement of Financial Position", a number of comparative amounts have been represented or reclassified to ensure comparability with the current reporting period.

### Principles of consolidation

The consolidated accounts are those of the economic entity, comprising Buderim Ginger Limited (the parent entity) and all entities which Buderim Ginger Limited controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases.

Subsidiary acquisitions are accounted for using the purchase method of accounting.

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 which may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

### Foreign currencies

#### *Translation of foreign currency transactions*

Transactions in foreign currencies of entities within the consolidated entity are converted to Australian currency at the rate of exchange ruling at the date of the transaction unless hedged prior to the date of the transaction, whereupon the hedged rate is used.

Assets and liabilities of entities within the consolidated entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to Australian currency using rates of exchange ruling at the end of the financial year.

Except for certain specific hedges, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the profit or loss for the financial year, and transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the contract.

#### *Translation of accounts of overseas operations*

All overseas operations are deemed to be integrated as they are financially and operationally dependent on Buderim Ginger Limited. The accounts of overseas operations are translated using the temporal method and any exchange differences are brought to account in the statement of financial performance.

# Notes to and forming part of Accounts

Year Ended 31 December 2001

## Cash

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

## Goods and services tax

Goods and services tax for the purpose of the cashflow, has been included as follows:

- Goods and services tax received from customers is included in receipts from customers
- Goods and services tax paid on supplies and acquisition of plant and equipment is included in payment to suppliers and employees.

## Investments

Investments in all non-current assets are carried at the lower of cost or recoverable amount.

## Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

Bills of exchange and promissory notes are measured at the lower of cost and net realisable value.

## Inventories

Inventories are valued at the lower of cost and net realisable value.

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

- Raw Materials – purchase cost on a first-in-first-out basis; and
- Finished Goods and work in progress – cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

## Recoverable Amount

Non-current assets are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

## Property, plant and equipment

### Cost and valuation

Property, plant and equipment are carried at deemed cost or at independent valuation in accordance with the Accounting Standards AASB 1041 "Revaluation of Non-Current Assets" and AASB 1010 "Recoverable Amount of Non-Current Assets".

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

### Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than freehold land, at rates calculated to allocate the cost or valuation, less estimated residual value at the end of the useful lives of the assets, against revenue over those estimated useful lives.

### Major depreciation periods are:

Tourism Buildings	15 years
Freehold Buildings	50 years
Plant and Equipment	3-10 years
Plant and Equipment under lease	Lease Period

## Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

### Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

The lease incentive liability in relation to the non-cancellable operating lease is being reduced on an imputed interest basis over the lease term (5 years) at the rate implicit in the lease.



**Finance leases**

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the group are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease terms. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and charged directly to profit and loss.

**Intangibles***Goodwill*

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity.

Goodwill is amortised by the straight line method over a 20 year period.

*Trademarks*

Trademarks are amortised over their useful lives, being 10 years.

**Other non-current assets***Research and development costs*

Research and development costs are expensed as incurred, except where future benefits are expected, beyond any reasonable doubt, to exceed those costs. Where research and development costs are deferred such costs are amortised over future periods on a basis related to expected future benefits. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable and any amount identified is written off.

*Expenditure carried forward*

Significant items of expenditure having a benefit or relationship to more than one period are written off over the periods to which such expenditure relates.

**Trade and other payables**

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

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

**Loans and borrowings**

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Bills of exchange are carried at the principal amount plus deferred interest.

Finance leases are accounted for in accordance with the requirements of AASB1008 "Leases".

**Contributed equity**

Ordinary share capital is recognised at the fair value of the consideration received by the company.

**Revenue recognition**

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

*Sale of Goods*

Control of goods has passed to the buyer.

*Interest*

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

*Rental Income*

Rental income is recognised in line with lease commitments defined in lease agreements.

# Notes to and forming part of Accounts

Year Ended 31 December 2001

## Income Tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent differences occur between the time items are recognised in the accounts and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Where assets are revalued no provision for potential capital gains tax has been made.

The income tax expense for the year is calculated using the 34% tax rate, however the deferred tax balances have been adjusted for the decreased corporate tax rate of 30% for the calendar year 2002. The adjustment recognises that reversal of timing differences will occur within the 2001/2 or later income tax year, at which time tax will be attributed at a lower rate. The corresponding adjustment has been charged to income tax expense.

## Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts.

All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Employee entitlements expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave entitlements; and
- other types of employee entitlements are charged against profits on a net basis in their respective categories.

## Derivative financial instruments

### *Forward exchange contracts*

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales and purchases in foreign currencies, to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are usually for no longer than 12 months.

Forward exchange contracts are recognised at the date the contract is entered. Exchange gains or losses on forward exchange contracts are charged to statement of financial performance except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale or purchase.

## Earnings per share

Basic earnings per share is determined by dividing the operating profit after tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share does not differ from basic earnings per share.

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 2. REVENUE FROM OPERATING ACTIVITIES

Sale of goods	30,166	27,690	25,543	24,454
Other revenue				
Rental income	294	275	294	275
Other income	171	276	117	169
	465	551	411	444
Interest Income - other persons/corporations	4	15	-	9
Proceeds on sale of non-current assets	6	-	6	-
	475	566	417	453
<b>Operating revenue</b>	<b>30,641</b>	<b>28,256</b>	<b>25,960</b>	<b>24,907</b>

## 3. EXPENSES AND LOSSES/(GAINS)

### (a) Expenses from operating activities

Cost of sales	19,623	17,958	17,860	16,482
Write-down of inventory to net realisable value	199	611	199	611
Selling and distribution expenses	4,931	4,753	3,623	3,549
Marketing expenses	286	298	286	298
Tourism expenses	1,251	1,367	1,251	1,367
Other operating costs	818	1,553	779	1,702
	27,108	26,540	23,998	24,009
Borrowing costs expensed				
- Other persons/corporations				
Interest expense	573	595	467	450
Finance charges - lease liability	32	40	32	40
Other borrowing costs - stamp duty & legal fees	-	5	-	4
	605	640	499	494
Amortisation of non-current assets				
Plant and equipment under lease	145	164	145	154
Goodwill	10	47	-	-
Trade Marks	7	15	7	15
	162	226	152	169
Depreciation of non-current assets				
Plant and equipment	801	787	487	537
Buildings	277	338	212	219
	1,078	1,125	699	756
Total depreciation and amortisation	1,240	1,351	851	925

# Notes to and forming part of Accounts

Year Ended 31 December 2001

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 3. EXPENSES AND LOSSES/(GAINS) CONTINUED

Cost of redundancies and terminations	84	186	5	186
Write-down of certain tourism and retail assets to recoverable amount	-	212	-	212
Bad and doubtful debts				
Trade debtors - other persons/bodies corporate	123	60	-	12
Net loss/(profit) on disposal of property, plant and equipment	-	211	-	211
Rental - operating leases	138	171	138	171
Net foreign currency (gains)/losses	38	5	(3)	5
Provision for employee entitlements	345	319	339	316
Research and development costs	39	127	39	127
Superannuation contributions - Accumulated benefit fund	462	468	390	447

### (b) Expenses from non-operating activities

Write-down of goodwill	-	1,482	-	-
Provision for non-recovery of inter-company loan	-	-	-	1,172

## 4. INCOME TAX

The prima facie tax, using tax rates applicable in the country of operation, on operating profit differs from the income tax provided in the financial statements as follows:

Prima facie tax/(credit) on operating profit/(loss)	574	(633)	208	(609)
Tax effect of permanent differences:				
Research and development deductions	(32)	(17)	(32)	(17)
Depreciation of buildings	20	26	20	26
Amortisation of intangibles	6	22	2	5
Permanent difference in write-down of goodwill	-	534	-	421
Non-assessible income from foreign operations	(154)	(55)	-	-
Other items (net)	-	-	-	(3)
Over provision of previous year	(10)	(23)	(15)	(23)
Income tax expense/(credit) attributable to operating profit	404	(146)	183	(200)

### Deferred tax assets and liabilities

Current tax liability	419	35	223	-
Income tax refund receivable	-	(147)	-	(147)
Deferred tax liabilities - non-current	289	380	289	380
Deferred tax assets - non-current	305	430	305	430
Future income tax benefit arising from tax losses not brought to account at balance date as realisation of the benefit is not regarded as virtually certain.	92	97	-	-

This future income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

### Dividends proposed

Franked dividends*	16	628	-	628	-
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### Dividends paid during the year

Previous year final					
Franked dividends*		-	102	-	102
Unfranked dividends*		-	317	-	317
		-	419	-	419

### \* The amount of franking credits available for the subsequent financial year are:

- franking account balance as at the end of the financial year at (2001: 30%) (2000: 34%)		887	1,167	887	1,167
- franking credits that will arise from the payment of income tax payable as at the end of the financial year		637	-	637	-
- franking debits that will arise from the anticipated refund of tax instalments paid for the financial year		-	(290)	-	(290)
- franking debits that will arise from the payment of dividends as at the end of the financial year		(628)	-	(628)	-
		896	877	896	877

Dividends proposed will be franked at the rate of 30%.

## 6. RECEIVABLES (CURRENT)

Trade debtors		5,761	6,086	4,891	5,747
Provision for doubtful debts	6(b)	(54)	(52)	(54)	(52)
		5,707	6,034	4,837	5,695
Deposits & other loans		8	8	8	8
Income tax refund due		-	147	-	147
Other receivables		200	396	155	147
		5,915	6,585	5,000	5,997

### (a) Aggregate amounts receivable from related parties included in trade debtors:

Wholly-owned group		-	-	1,759	1,938
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### (b) Movement in provision for doubtful debts

- balance at beginning of year		(52)	(40)	(52)	(40)
- bad and doubtful debts provided for during the year		(2)	(12)	(2)	(12)
- balance at end of year		(54)	(52)	(54)	(52)

# Notes to and forming part of Accounts

Year Ended 31 December 2001

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 7. INVENTORIES (CURRENT)

Raw materials and stores				
At cost	<b>869</b>	949	<b>778</b>	847
Work-in-progress				
At cost	<b>1,252</b>	2,329	<b>1,203</b>	1,399
Finished goods				
At cost	<b>6,122</b>	4,452	<b>5,141</b>	3,940
At net realisable value	<b>2,705</b>	2,134	<b>2,705</b>	2,134
	<b>8,827</b>	6,586	<b>7,846</b>	6,074
Total inventories at lower of cost and net realisable value	<b>10,948</b>	9,864	<b>9,827</b>	8,320

## 8. OTHER CURRENT ASSETS

Prepayments	<b>304</b>	270	<b>299</b>	258
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## 9. RECEIVABLES (NON-CURRENT)

Wholly owned group				
- Loan to controlled entity	-	-	<b>1,826</b>	2,825
Provision for non-recovery of inter-company loan	-	-	<b>(1,172)</b>	(1,172)
	-	-	<b>654</b>	1,653



Name	Country of incorporation	Percentage of equity interest held by the consolidated entity		Buderim Ginger (Overseas) Holdings Pty Ltd		Buderim Ginger (UK) Ltd		Buderim Ginger Limited	
		2001	2000	2001	2000	2001	2000	2001	2000
		%	%	\$	\$	\$	\$	\$	\$

## 10. INTEREST IN SUBSIDIARIES

Australian Golden Ginger Pty Ltd	Australian	100	100	(i)					6	6
Gingertown Pty Ltd	Australian	100	100	(i)					2	2
Buderim Ginger (Overseas) Holdings Pty Ltd	Australian	100	100	(i)					5	5
Buderim Ginger (UK) Ltd	United Kingdom	100	100	(ii)					5	5
Buderim Ginger Sales GmbH	Germany	100	100	(iii)	41,467	41,467				
Buderim Ginger America, Inc.	United States	100	100	(iv)			146,987	146,987		
Frespac Ginger (Fiji) Ltd	Fiji	100	100	(ii)	1,150,705	1,150,705				
					<b>1,192,172</b>	<b>1,192,172</b>	<b>146,987</b>	<b>146,987</b>	<b>18</b>	<b>18</b>

### (i) Entities subject to class order relief

Pursuant to ASIC Class Order 98/1418, relief has been granted to these controlled entities of Buderim Ginger Limited from the Corporations Act 2001 requirements for preparation, audit and publication of accounts.

As a condition of the Class Order, Buderim Ginger Limited and the controlled entities subject to the Class Order 98/1418 entered into a deed of indemnity on 4 February 1990.

The effect of the deed is that Buderim Ginger Limited has guaranteed to pay any deficiency in the event of winding up of the controlled entities.

The controlled entities have also given a similar guarantee in the event that Buderim Ginger Limited is wound up.

The consolidated statement of financial performance and statement of financial position of the entities which are subject to the deed are as follows:

	2001	2000
	\$'000	\$'000

### Consolidated statement of financial performance

Operating profit before income tax expense	775	(3,175)
Income tax attributable to operating profit	(183)	200
Operating profit after income tax expense	592	(2,975)
Retained profits at the beginning of the financial year	352	3,327
Dividends provided for or paid	(628)	-
Retained profits at the end of the financial year	316	352

# Notes to and forming part of Accounts

Year Ended 31 December 2001

## 10. INTEREST IN SUBSIDIARIES CONTINUED

Consolidated statement of financial position.	2001 \$'000	2000 \$'000
<b>Current assets</b>		
Cash assets	141	81
Receivables	5,164	5,997
Inventories	9,827	8,320
Other	299	258
<b>Total current assets</b>	<b>15,431</b>	<b>14,656</b>
<b>Non-current assets</b>		
Receivables	449	280
Investments	1,192	1,192
Property, plant and equipment	8,075	7,826
Intangible assets	134	113
Deferred tax asset	305	430
Other	31	355
<b>Total non-current assets</b>	<b>10,186</b>	<b>10,196</b>
<b>Total Assets</b>	<b>25,617</b>	<b>24,852</b>
<b>Current liabilities</b>		
Payables	3,432	3,500
Interest-bearing liabilities	4,870	5,935
Current tax liability	198	(26)
Provisions	1,348	768
<b>Total current liabilities</b>	<b>9,848</b>	<b>10,177</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	1,605	377
Deferred tax liability	289	380
Provisions	81	88
<b>Total non-current liabilities</b>	<b>1,975</b>	<b>845</b>
<b>Total liabilities</b>	<b>11,823</b>	<b>11,022</b>
<b>Net assets</b>	<b>13,794</b>	<b>13,830</b>
<b>Equity</b>		
Contributed equity	12,911	12,911
Reserves	567	567
Retained profits	316	352
<b>Total shareholders' equity</b>	<b>13,794</b>	<b>13,830</b>

(ii) Controlled entities which are audited by another member firm of Ernst & Young International.

(iii) Controlled entity which is incorporated in Germany. Under German law the financial statements of this entity are not required to be audited and, accordingly, no auditor has been appointed.

(iv) Controlled entity which is incorporated in Delaware. Under United States law the financial statements of this entity are not required to be audited and, accordingly, no auditor has been appointed.

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 11. PROPERTY, PLANT AND EQUIPMENT

Freehold land				
At independent valuation 30 June 1997	950	950	950	950
Buildings on freehold land				
At cost	8,488	8,346	7,193	7,052
Provision for depreciation	(2,932)	(2,660)	(2,786)	(2,574)
	5,556	5,686	4,407	4,478
Total land and buildings	6,506	6,636	5,357	5,428
Plant and equipment				
At cost	9,350	8,426	7,633	6,679
Provision for depreciation	(6,164)	(5,381)	(5,274)	(4,785)
	3,186	3,045	2,359	1,894
Plant and equipment under lease				
At cost	1,697	1,697	1,697	1,697
Provision for amortisation	(1,338)	(1,193)	(1,338)	(1,193)
	359	504	359	504
Total plant and equipment	3,545	3,549	2,718	2,398
Total property, plant and equipment				
Cost	19,535	18,469	16,523	15,428
Independent valuation 30 June 1997	950	950	950	950
	20,485	19,419	17,473	16,378
Provision for depreciation and amortisation	(10,434)	(9,234)	(9,398)	(8,552)
Total written down amount	10,051	10,185	8,075	7,826

### (a) Assets pledged as security

A registered equitable mortgage over the company's assets, is held by Westpac Banking Corporation. 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. Included in the balance of plant and equipment are assets under lease which are pledged as security for the associated lease liability. The book value of leased assets amounts to \$358,600 (2000: \$503,909).

### (b) Valuations

Leasehold property at Yandina was converted to freehold in June 1997 and was restated to the independent valuation determined by Edward Rushton Australia Pty Ltd at that date.

All valuations are estimates of the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.

The consolidated entity has a set policy for regular valuation of freehold land and buildings at least once every three financial years.

At 30 June 2001, land, buildings and plant and equipment were valued by Edward Rushton Pty Ltd, registered valuers, at \$10,899,000, on the basis of Market Value for Existing Use. Valuation for insurance purposes/reinstatement with new value was at \$25,402,000.

The consolidated entity carries existing values as deemed costs in accordance with the accounting standard AASB 1041

"Revaluation of non-current assets."

# Notes to and forming part of Accounts

Year Ended 31 December 2001

	Note	Consolidated	Buderim Ginger Limited
	2001		2001
	\$'000		\$'000

## 11. PROPERTY, PLANT AND EQUIPMENT CONTINUED

### (c) Reconciliations

Reconciliations of the carrying amounts of freehold land and buildings and plant and equipment at the beginning and end of the current financial year.

Freehold land		
No movement recorded in this asset	950	950
	<b>950</b>	<b>950</b>
Buildings on freehold land		
Carrying amount at beginning	5,686	4,478
Additions	142	141
Net foreign currency movements	5	-
Depreciation expense	(277)	(212)
	<b>5,556</b>	<b>4,407</b>
Plant and equipment		
Carrying amount at beginning	3,045	1,894
Additions	666	633
Transfer from construction in progress	326	326
Disposals	(21)	(7)
Net foreign currency movements	(29)	-
Depreciation expense	(801)	(487)
	<b>3,186</b>	<b>2,359</b>
Plant and equipment under lease		
Carrying amount at beginning	504	504
Depreciation expense	(145)	(145)
	<b>359</b>	<b>359</b>

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 12. INTANGIBLE ASSETS

Goodwill	<b>188</b>	188	-	-
Provision for amortisation	<b>(26)</b>	(8)	-	-
	<b>162</b>	180	-	-
Trademarks	<b>173</b>	143	<b>171</b>	143
Provision for amortisation	<b>(37)</b>	(30)	<b>(37)</b>	(30)
	<b>136</b>	113	<b>134</b>	113
	<b>298</b>	293	<b>134</b>	113

## 13. OTHER NON-CURRENT ASSETS

Construction in progress	-	355	-	355
Expenditure carried forward	<b>31</b>	2	<b>31</b>	-
	<b>31</b>	357	<b>31</b>	355

## 14. PAYABLES (CURRENT)

Trade creditors	<b>2,281</b>	2,491	<b>1,941</b>	2,334
Other creditors	<b>1,061</b>	1,014	<b>1,496</b>	1,173
	<b>3,342</b>	3,505	<b>3,437</b>	3,507

Aggregate amounts payable to related parties included in trade creditors:

Directors and director related entities	31	<b>50</b>	138	<b>50</b>	543
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## 15. INTEREST BEARING LIABILITIES (CURRENT)

Secured					
- lease liability	22	<b>137</b>	121	<b>129</b>	121
- bank overdrafts	33,34	<b>220</b>	102	<b>133</b>	102
- bank bill finance	33,34	<b>2,030</b>	5,700	<b>2,030</b>	5,700
Unsecured					
- wholly owned group - loan by controlled entity		-	-	<b>186</b>	-
		<b>2,387</b>	5,923	<b>2,478</b>	5,923

The bank overdraft and bill finance facilities are secured by a registered equitable mortgage over the company's assets. The lease liability is secured by a charge over the leased assets.

# Notes to and forming part of Accounts

Year Ended 31 December 2001

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 16. PROVISIONS (CURRENT)

Dividends on ordinary shares	5	628	-	628	-
Employee entitlements	23	718	764	718	764
		<b>1,346</b>	764	<b>1,346</b>	764

## 17. INTEREST BEARING LIABILITIES (NON-CURRENT)

Secured					
Lease liability - finance lease	22	256	390	247	377
Bank bill facility	33,34	2,570	-	2,570	-
Directors and director related entities		712	806	-	-
Bank loan		271	338	-	-
		<b>3,809</b>	1,534	<b>2,817</b>	377

The lease liability is secured by a charge over the leased assets. The bill facility is secured by a registered equitable mortgage over the parent company's assets. The director related loan is secured by a first registered mortgage over Frespac Ginger (Fiji) Limited's land and buildings. The bank loan is secured over the plant and equipment of Frespac Ginger (Fiji) Limited and supported by a guarantee from the parent entity.

## 18. PROVISIONS (NON-CURRENT)

Employee entitlements	23	89	102	81	88
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## 19. CONTRIBUTED EQUITY

Issued and paid up capital					
20,919,189 ordinary shares fully paid (2000: 20,919,189).	33,34	12,911	12,911	12,911	12,911

There were no shares issued during the financial year.

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 20. RESERVES AND RETAINED PROFITS

Asset revaluation reserve	655	655	655	655
Foreign currency translation	(88)	(88)	-	-
	<b>567</b>	567	<b>655</b>	655
Retained profits	<b>3,345</b>	2,689	<b>221</b>	420

### (a) Asset Revaluation

#### (i) Nature and purpose of reserve

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets. The reserve can only be used to pay dividends in limited circumstances. The company, on adoption of AASB 1041 has decided to use the cost method, therefore the balance in this reserve can not be used to offset against future recoverable amount whitedowns of assets.

#### (ii) Movements in reserves

Balance at beginning and end of year	<b>655</b>	655	<b>655</b>	655
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### (b) Foreign currency translation

#### (i) Nature and purpose of reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.

#### (ii) Movements in reserves

Balance at beginning and end of year	<b>(88)</b>	(88)	-	-
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### (c) Retained Profits

Balance at the beginning of year	<b>2,689</b>	4,300	<b>420</b>	1,913
Net profit/(loss) after income tax	<b>1,284</b>	(1,611)	<b>429</b>	(1,493)
Total available for appropriation	<b>3,973</b>	2,689	<b>849</b>	420
Dividends provided for or paid	<b>628</b>	-	<b>628</b>	-
Balance at the end of year	<b>3,345</b>	2,689	<b>221</b>	420

# Notes to and forming part of Accounts

Year Ended 31 December 2001

Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 21. STATEMENT OF CASH FLOWS

### a) Reconciliation of the operating profit after tax to the net cash flows from operations

Operating profit/(loss) after income tax expense	<b>1,284</b>	(1,611)	<b>429</b>	(1,493)
Depreciation of non-current assets	<b>1,078</b>	1,125	<b>699</b>	756
Amortisation of non-current assets	<b>163</b>	225	<b>153</b>	169
Write-down of goodwill	-	1,482	-	-
Provision for employee entitlements	<b>(59)</b>	39	<b>(53)</b>	36
Net loss on disposal of property, plant and equipment	-	211	-	211
Changes in assets and liabilities				
Trade receivables	<b>326</b>	(529)	<b>858</b>	(15)
Inventory	<b>(1,084)</b>	(1,528)	<b>(1,507)</b>	(1,318)
Trade and other creditors	<b>(162)</b>	1,302	<b>(72)</b>	1,296
Tax provision	<b>531</b>	(691)	<b>370</b>	(591)
Future tax benefit	<b>125</b>	(430)	<b>125</b>	(430)
Deferred income tax liability	<b>(92)</b>	192	<b>(92)</b>	192
Prepayments	<b>162</b>	207	<b>(22)</b>	236
Other	<b>(1)</b>	-	-	2
Net cash flow from/(used in) operating activities	<b>2,271</b>	(6)	<b>888</b>	(949)

### b) Reconciliation of cash

Cash balance comprises:

- cash on hand	<b>660</b>	434	<b>141</b>	81
- bank overdraft	<b>(220)</b>	(102)	<b>(133)</b>	(102)
Closing cash balance	<b>440</b>	332	<b>8</b>	(21)

### c) Finance Facilities

The consolidated entity has a bank overdraft facility available to the extent of \$750,000 (2000: \$450,000), and a bank bill facility to the extent of \$7,600,000 (2000: \$6,600,000).



Note	Consolidated		Buderim Ginger Limited	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 22. EXPENDITURE COMMITMENTS

### a) Lease expenditure commitments

#### (i) Operating leases (non-cancellable)

- not later than one year	<b>149</b>	165	<b>149</b>	165
- later than one year and not later than five years	<b>228</b>	213	<b>228</b>	213
- aggregate lease expenditure contracted for at balance date	<b>377</b>	378	<b>377</b>	378

Amounts not provided for:

- future rental commitments	<b>377</b>	378	<b>377</b>	378
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Operating lease commitments relate to liabilities arising from the lease of motor vehicles, rental of off-site retail premises and a tourism facility on the Yandina premises.

Operating leases have an average lease term of 3 years and an average implicit interest rate of 8.05%.

#### (ii) Finance leases:

- not later than one year	<b>156</b>	156	<b>153</b>	153
- later than one year and not later than five years	<b>268</b>	417	<b>254</b>	407
- total minimum lease payments	<b>424</b>	573	<b>407</b>	560
- future finance charges	<b>(31)</b>	(62)	<b>(31)</b>	(62)
	<b>393</b>	511	<b>376</b>	498
- lease liability				
- current liability	15	<b>137</b>	121	<b>129</b>
- non-current liability	17	<b>256</b>	390	<b>247</b>
		<b>393</b>	511	<b>376</b>

## 23. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

### Employee Entitlements

The aggregate employee entitlement liability is comprised of:

Provisions (current)	16	<b>718</b>	764	<b>718</b>	764
Provisions (non-current)	18	<b>89</b>	102	<b>81</b>	88
		<b>807</b>	866	<b>799</b>	852

### Superannuation Commitments

All employees are entitled to varying levels of benefits on retirement, resignation, death and total and permanent disability.

The superannuation plan provides benefits in the form of lump sum payments.

Contributions are based on a percentage of salaries and employees are invited to make personal contributions.

The company also makes contributions in accordance with award based superannuation requirements.

The Plan is an accumulation style Plan and as such, all accrued benefits are represented by existing Plan assets.

The Plan complies with the Occupational Superannuation Standards Act and Regulations. The company contributions are legally enforceable.

# Notes to and forming part of Accounts

Year Ended 31 December 2001

## 24. CONTINGENT LIABILITIES

### Controlled entities

The parent entity has guaranteed under the terms of an ASIC Class Order any deficiency of funds if Australian Golden Ginger Pty Ltd, Gingertown Pty Ltd and Buderim Ginger (Overseas) Holdings Pty Ltd are wound up. No such deficiencies exist.

The parent entity has provided a guarantee to Westpac, Suva, Fiji in the sum of \$AUD600,000 to indemnify the Westpac Banking Corporation for an overdraft facility made available to Frespac Ginger (Fiji) Ltd.

### Other persons

A complaint has been lodged under the Queensland Anti-Discrimination Act 1991 by a former employee against Buderim Ginger Limited, and two officers of the company. The employee alleges discrimination on the basis of impairment. The Anti-Discrimination Commission accepted the complaint out of time but on application to the Supreme Court, the Commission's decision was reversed and the application struck out. The Commissioner has now appealed the Supreme Court's decision to the Court of Appeal. Legal advice is that the appeal will be dismissed, thereby confirming that the application has been struck out, in which case there will be no exposure. However, if the appeal is successful the matter will proceed for determination by the Anti-Discrimination Tribunal. If the applicant succeeds in proving his claim before the Tribunal, the company may be ordered to pay compensation. There is no limit on compensation that can be awarded, but legal advice is that compensation is unlikely to exceed \$50,000.

There are no contingent liabilities in respect of termination of service agreements with executives or directors.

## 25. SUBSEQUENT EVENTS

In the first quarter of 2002, Buderim Ginger Sales (GmbH) is to be sold to agents Johannes Lühders Kg, Germany who have been appointed as exclusive agents for marketing and selling of Buderim Ginger products in the European community countries excluding the British Isles and Netherlands. There will be no profit or loss on sale of the subsidiary as all assets and liabilities are to be assigned to the parent entity at the sale date.

An Extraordinary General Meeting was held on 20th and 21st February, 2002 at which the directorships of D.D.H. Graham, A.R. Everingham and J.C.S. Spencer were ceased and director by shareholders.

Mr S.J. Maitland was appointed on 26 February 2002 to fill the casual vacancy created by Mr R.F. Cormie's resignation as director on 21 February 2002.

In the opinion of the directors, there were no other significant changes in the state of affairs of the economic entity that occurred during the financial year under review not otherwise disclosed in this report or the financial reports.

## 26. ECONOMIC DEPENDENCY

A large proportion of the base ingredient, ginger, used in the Australian manufacturing operations of the consolidated entity is only available from quota holders. All ginger growers who supply ginger have entered into long term agreements with the company.

The Ginger Supply Agreements held with Australian growers provide the company with a secure source of ginger and the growers with an outlet for their product. Ginger used in the Fiji manufacturing operation is purchased under open market conditions.

## 27. EARNINGS PER SHARE

	6.14	(7.70)
(a) Basic earnings per share (cents per share)		
(b) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	20,919,189	20,919,189

Note	2001	2000

Note	Consolidated		Buderim Ginger Limited	
	2001	2000	2001	2000
	\$	\$	\$	\$

## 28. REMUNERATION OF DIRECTORS

### (a) Directors' remuneration

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are director or any related party:

Non-Executive Directors	175,702	145,634
Executive Directors	185,196	411,383
<b>Total</b>	<b>360,898</b>	<b>557,017</b>

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of Buderim Ginger Limited, directly or indirectly, from the entity or any related party:

Non-Executive Directors	175,702	145,634
Executive Directors	185,196	411,383
<b>Total</b>	<b>360,898</b>	<b>557,017</b>

The number of directors of Buderim Ginger Limited whose income (including superannuation contributions) falls within the following bands is:

	2001	2000
\$0 - \$ 9,999	1	-
\$10,000 - \$19,999	-	-
\$20,000 - \$29,999	3	5
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$170,000 - \$179,999	1	-
\$300,000 - \$399,999	-	1

### (b) Prescribed benefits approved at general meeting

No prescribed benefits have been paid which would require approval at an Annual General Meeting.

# Notes to and forming part of Accounts

Year Ended 31 December 2001

Note	Consolidated		Buderim Ginger Limited	
	2001	2000	2001	2000
	\$	\$	\$	\$

## 29. REMUNERATION OF EXECUTIVES

Remuneration received or due and receivable by executive officers of the consolidated entity whose remuneration is \$100,000 or more, from entities in the consolidated entity or a related party, in connection with the management of the affairs of the entities in the consolidated entity whether as an executive officer or otherwise:

**1,263,868**    832,440

Remuneration received or due and receivable by executive officers of the company whose remuneration is \$100,000 or more, from the company or any related party, in connection with the management of the affairs of the company or any related party, whether as an executive officer or otherwise

**627,738**    342,962

The number of executives of the consolidated entity and the company whose remuneration falls within the following bands:

	Economic Entity		Buderim Ginger Limited	
	2001	2000	2001	2000
\$110,000 - \$119,999	1	-	1	-
\$120,000 - \$129,999	-	1	-	-
\$140,000 - \$149,999	1	1	1	1
\$150,000 - \$159,999	1	-	1	-
\$160,000 - \$169,999	-	1	-	-
\$190,000 - \$199,999	1	2	-	1
\$200,000 - \$210,000	2	-	1	-
\$240,000 - \$250,000	1	-	-	-

## 30. AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors of Buderim Ginger Limited for:

- an audit or review of the financial statements of the entity and any other entity in the consolidated entity	<b>86,878</b>	71,736	<b>64,050</b>	50,186
- other services in relation to the entity and any other entity in the consolidated entity	<b>37,562</b>	49,591	<b>24,134</b>	38,735
	<b>124,440</b>	121,327	<b>88,184</b>	88,921

## 31. RELATED PARTY DISCLOSURES

### (a) The directors of Buderim Ginger Limited during the financial year were:

D.D.H. Graham (Chairman - appointed 30 January 2001, cessation 21 February 2002)  
 J.O. Cain (Resigned 27 April 2001)  
 G.D. O'Brien (Managing Director - appointed 5 March 2001)  
 R.F. Cormie (Deputy Chairman - resigned 21 February 2002)  
 A.R. Everingham (cessation 21 February 2002)  
 J.C.S. Spencer (cessation 21 February 2002)  
 Yee Wah Sing (resigned 27 April 2001)

### (b) The following related party transactions occurred during the financial year:

#### (i) Transactions with related parties in wholly-owned group.

Sales and purchases made under normal commercial terms and conditions.

#### (ii) Transactions with the directors of Buderim Ginger Limited and the economic entity

Ginger supplies were purchased during the year from Templeton Holdings (Qld) Pty Ltd to the value of \$888,957 in a normal customer relationship on terms and conditions no more favourable than those available on similar transactions to other suppliers.

#### (iv) Transactions with director-related entities

Mr. D.D.H. Graham is Managing Director of DDH Graham Limited, which performed consultancy work during the year aggregating \$Nil (2000: \$5,238) in fees.

### (c) Buderim Ginger Limited is the ultimate controlling entity.

### (d) Equity instruments of directors

#### (i) Interests in the equity instruments held by directors of the reporting entity and their director-related entities at balance date:

	Buderim Ginger Limited Ordinary Shares Fully Paid	
	2001	2000
D.D.H. Graham	200,000	124,767
G.D. O'Brien	-	-
R.F. Cormie	5,625	5,625
A.R. Everingham	200,029	146,029
J.C.S. Spencer	9,000	9,000
	<b>414,654</b>	<b>285,421</b>

#### (ii) Movements in directors' equity holdings

Mr A.R. Everingham acquired ordinary shares in the name of A.R. & A.B. Everingham Pty Ltd (Everingham Super Fund A/C) throughout 2001 as follows:

14.09.01 Purchase of 1,406 ordinary shares.  
 18.09.01 Purchase of 3,999 ordinary shares.  
 20.09.01 Purchase of 14,595 ordinary shares.  
 21.09.01 Purchase of 11,520 ordinary shares.  
 26.09.01 Purchase of 8,480 ordinary shares.  
 28.12.01 Purchase of 14,000 ordinary shares.

Mr D.D.H. Graham acquired ordinary shares in the name of Jiggi Investments Pty Ltd throughout 2001 as follows:

11.05.01 Purchase of 50,000 ordinary shares.  
 18.05.01 Purchase of 25,233 ordinary shares.

The terms and conditions of all movements in directors' equity holdings were provided on an arm's length basis.

# Notes to and forming part of Accounts

Year Ended 31 December 2001

Note	Ginger Processing		Tourism		Eliminations		Consolidated	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

## 32. SEGMENT INFORMATION

### (a) Industry segments

Operating revenue									
Sales to customers outside the consolidated entity		25,040	3,359	3,216	-	-	30,641	28,256	
Intersegment Sales		799	-	-	(810)	(799)	-	-	
Total revenue	2	28,092	25,839	3,359	3,216	(810)	(799)	30,641	28,256
Segment result		1,052	(2,080)	636	323	-	-	1,688	(1,757)
Segment assets		26,951	26,623	1,561	1,648	-	-	28,512	28,418

The basis of intersegment pricing is market prices less 10%.

Note	Australia		Fiji		Eliminations		Consolidated	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000

### (b) Geographical segments

Operating revenue									
Sales to customers outside the consolidated entity		26,509	2,182	1,747	-	-	30,641	28,256	
Intersegment Sales		799	3,163	2,281	(3,973)	(3,080)	-	-	
Total revenue	2	29,268	27,308	5,345	4,028	(3,973)	(3,080)	30,641	28,256
Segment result		1,235	(1,932)	453	175	-	-	1,688	(1,757)
Segment assets		25,073	24,198	3,439	4,073	-	-	28,512	28,418

The consolidated entity operates predominantly in the ginger processing industry, and in two geographic areas, Australia and Fiji, although it has marketing operations in the U.K., Germany and USA. The ginger processing operations comprise the production and sale of a variety of sugar processed, brined and dried products to both wholesale and retail operations throughout the world.

The tourism operations comprise the sale of ginger and other retail gift and food products within the Australian tourism market.

### 33. FINANCIAL INSTRUMENTS

#### Terms, conditions and accounting policies

The consolidated entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Notes Conditions
<i>(i) Financial assets</i>			
Receivables - trade	6	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A minimum doubtful debt provision of 2.5% of domestic debtors is maintained, supplemented by the recognition of possible non-collection of full nominal amounts. Export debtors are covered by QBE trade credit insurance.	Terms for credit sales average between 30-60 days.
Deposits & other loans	6	Short term deposits are stated at cost. Amounts receivable from related parties are carried at nominal amounts due. Terms and conditions of all transactions in this category, are provided on an arm's length basis.	
<i>(ii) Financial liabilities</i>			
Bank Overdraft	15	The bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the bank's benchmark rate. Details of the security over the bank overdrafts is set out in note 15.
Trade Creditors and accruals	14	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity.	Trade liabilities are normally settled on 30 day terms.
Bills of Exchange	15, 17	Bills of Exchange are carried at the principal amount. Interest is charged as an expense as it accrues.	Bills of Exchange have an average maturity of 30 days with variable interest linked to BBSY rates.
Other Loans	15	Other loans are carried at the principal amount. Interest on members loan funds is charged as it accrues.	The redemption date for members loans funds was October 1996. The balance of these loans are maintained in a short terms deposit account until claimed.
Finance Lease Liability	15, 17	The lease liability is accounted for in accordance with AASB 1008.	As at balance date, the consolidated entity had finance leases with an average lease term of 3 years. The average discount rate implicit in the leases is 8.05% (2000: 8.05%). The lease liability is secured by a charge over the leased assets.

# Notes to and forming part of Accounts

Year Ended 31 December 2001

## 33. FINANCIAL INSTRUMENTS CONTINUED

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Notes Conditions
Dividends Payable	5	Dividends payable are recognised when declared by the company.	Dividends payable for the financial year ended 31 December 2001 amount to 3 cents fully franked (2000: Nil). There was no interim dividend paid during 2001 (2000: Nil).
<i>(iii) Equity</i>			
Ordinary Shares	19	Ordinary share capital is recognised at the original par value of the amount paid-up, share premium transferred from reserves on 1 July 1998, and the fair value of consideration received since that date.	There were no shares issued during the reporting period.
<b>Unrecognised Financial Instruments</b>			
Forward exchange contracts		Overseas subsidiaries within the consolidated entity enter into forward exchange contracts to secure purchases in Australian dollars in future accounting periods at predetermined exchange rates. The objective is to protect the company against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are for no longer than 12 months. It is the company's policy not to recognise forward exchange contracts in its financial statements.	At balance date, the company had entered into forward exchange contracts for the conversion of GBP1,163,749 to AUD3,281,237, at an effective exchange rate of \$0.3547.



### 34. FINANCIAL INSTRUMENTS

#### (a) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
	2001 \$'000	2000 \$'000	1 year or less 2001 \$'000	1 year or less 2000 \$'000	Over 1 to 5 years 2001 \$'000	Over 1 to 5 years 2000 \$'000	More than 5 years 2001 \$'000	More than 5 years 2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001	2000

#### (i) Financial Assets

Cash	652	426	-	-	-	-	-	-	8	11	660	434	4.50	4.58
Receivables	-	-	-	-	-	-	-	-	5,707	6,034	5,707	6,034	N/A	N/A
Deposits – Trade	-	-	-	-	-	-	-	-	8	8	8	8	N/A	N/A
<b>Total financial assets</b>	<b>652</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,723</b>	<b>6,053</b>	<b>6,375</b>	<b>6,476</b>	<b>-</b>	<b>-</b>

#### (ii) Financial liabilities

Bank overdraft	220	102	-	-	-	-	-	-	-	-	220	102	8.05	8.91
Trade creditors and accruals	-	-	-	-	-	-	-	-	3,342	3,505	3,342	3,505	N/A	N/A
Bills of exchange	-	-	4,600	5,700	-	-	-	-	-	-	4,600	5,700	5.11	7.14
Other loans	271	338	-	-	-	-	-	-	8	8	279	346	7.90	7.90
Finance lease liabilities	-	-	137	121	256	390	-	-	-	-	393	511	8.05	8.05
Dividends payable	-	-	-	-	-	-	-	-	628	-	628	-	N/A	N/A
<b>Total financial liabilities</b>	<b>491</b>	<b>440</b>	<b>4,737</b>	<b>5,821</b>	<b>256</b>	<b>390</b>	<b>-</b>	<b>-</b>	<b>3,978</b>	<b>3,513</b>	<b>9,462</b>	<b>10,164</b>	<b>-</b>	<b>-</b>

#### (b) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, have been reviewed. Buderim Ginger Ltd does not have any financial instruments that differ materially from carrying values.

The carrying amount approximates fair value because of their short-term to maturity for all financial assets and liabilities.

#### (c) Credit risk exposures

The consolidated entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangements. The consolidated entity's maximum credit risk exposure in relation to these is as follows:

- forward exchange contracts - the full amount of the foreign currency it will be required to pay when settling the forward exchange contracts, should the counterparties not pay the dollars it is committed to deliver to the company. At balance date this amount was \$494,058 (2000: \$954,501).

# Notes to and forming part of Accounts

Year Ended 31 December 2001

## 34. FINANCIAL INSTRUMENTS CONTINUED

### Concentrations of credit risk

Concentrations of credit risk on trade accounts receivable arise in the following market sectors:

Market Sector	Maximum credit risk exposure* for each concentration			
	Consolidated			
	Percentage of total trade debtors (%)		\$'000	
	2001	2000	2001	2000
Wholesale	76	75	4,337	4,520
Retail	24	25	1,370	1,514
	100	100	5,707	6,034

\* The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligation under the financial instruments in question.

Country	Maximum credit risk exposure* for each concentration			
	Consolidated			
	Percentage of total trade debtors (%)		\$'000	
	2001	2000	2001	2000
Australia	46	41	2,619	2,486
U.K. **	20	22	1,122	1,342
Europe**	25	17	1,423	1,005
Canada**	4	6	212	359
U.S.A.**	5	14	321	830
Asia/Pacific**	-	-	10	12
	100	100	5,707	6,034

Credit risk in trade receivables is managed in the following ways:

- payment terms average 30 days;
- a risk assessment process is used for all customers;
- Export credit insurance is covered by QBE Insurers for all export sales. QBE insurance covers 90% of export credit exposure.\*\*

### (d) Hedging instruments

#### (i) Hedges of anticipated future transactions

Buderim Ginger Limited has entered into forward exchange contracts as at balance date. These transactions were designed as general hedges of anticipated future receipts from sales yet to be written. The amount of unrealised losses as at 31 December 2001 was \$20,229 (2000: \$33,641).

The unrealised losses will be recognised in the statement of financial performance account on settlement of the relevant foreign exchange contracts during 2002.

#### (ii) Specific Hedges

Forward exchange contracts are established to hedge contracted purchases by customers in the United Kingdom.

The exposure risk posed by these contracts is held by the relevant customers rather than by Buderim Ginger Limited.

# Directors' Declaration

In accordance with a resolution of the directors of Buderim Ginger Limited , we state that:

- (1) In the opinion of the directors:
  - (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001 including:
    - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2001 and of their performance for the year ended on that date; and
    - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (2) 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 10(i) will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



J.M. Ruscoe

*Director*

11 March 2002

# Auditors' Report

## INDEPENDENT AUDIT REPORT

To the members of Buderim Ginger Limited

### SCOPE

We have audited the financial report of Buderim Ginger Limited for the financial year ended 31 December 2001, as set out on pages 7 to 43, including the Directors' Declaration. The financial report includes the financial statements of Buderim Ginger Limited, and the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

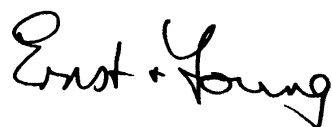
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion, the financial report of Buderim Ginger Limited is in accordance with;

- (a) the Corporations Act 2001 including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2001 and of their performance for the year ended on the date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.



Ernst & Young  
Date: 11 March 2002



TC Eddy  
Partner - Brisbane

# Corporate Governance Statement

31 December 2001

This statement outlines the principal Corporate Governance practices that were in place throughout the financial year.

## 1. BOARD OF DIRECTORS AND COMMITTEES

The board of directors of Buderim Ginger Limited is responsible for the corporate governance of the economic entity. It has established an audit and compliance committee to assist in the execution of its responsibilities and solicits regular representations from management on key performance issues. In addition, a remuneration committee was established on 26 February 2002 by the new Board of Directors.

### 1.1 Board of Directors

The directors of the company in office during the year and as at the date of this statement are as follows:

Composition of the Board		
Position	January 1, 2001 to February 21, 2002 <i>(unless otherwise stated)</i>	As from February 21, 2002 <i>(unless otherwise stated)</i>
	Name	Name
Chairman	D.D.H. Graham	J.M. Ruscoe
Deputy Chairman	R.F. Cormie	
Managing Director	G.D. O'Brien (appointed 5 March 2001)	G.D. O'Brien
Director	A.R. Everingham	S.T. Templeton
Director	J.C.S. Spencer	D. Crerar
Director	J.O. Cain (resigned 27 April 2001)	S.J. Maitland (appointed 26 February 2002)
Director	Yee Wah Sing (resigned 27 April 2001)	

Directors are appointed for a 3 year term (with the exception of the Managing Director) after which time they are required to seek re-election by shareholders.

The composition of the board is determined by all directors using the following principles:

- The board comprises four non-executive directors and one executive director. Until otherwise determined by the company in General Meeting the number of directors may not be more than five.
- The chairman of the board should be a non-executive director.
- The board should comprise a majority of non-executive directors.
- The maximum age for directors is 72 years.

When a board vacancy exists or where it is considered that a director with particular skills or experience is required, the board selects a panel of candidates with the appropriate expertise and experience from which the most suitable candidate is appointed on merit.

The board annually determines the remuneration for the executive and non-executive directors and for the most senior management personnel.

The board, which meets at a minimum, monthly, reviews the operational and financial performance of the consolidated entity and each operational unit. The board also receives and considers reports on the group's performance in the areas of occupational health and safety, inventory management and environmental control. Each year the board considers, and if appropriate, approves annual budgets, proposed capital expenditure and operating plans and strategies against which technical and financial performance is regularly reported.

With the prior approval of the chairman, each director has the right, at the company's expense, to seek independent professional advice relevant to the company's affairs. A copy of the advice is to be provided to all directors.

# Corporate Governance Statement

31 December 2001

## 1.2 Audit & Compliance Committee

The audit and compliance committee is established with terms of reference approved by the board. It is policy of the board and committee that the committee comprise a majority of non-executive directors. During the year the committee was comprised entirely of non-executive directors being:

R.F. Cormie (Chairman)

D.D.H. Graham

J.C.S. Spencer

At a Meeting of Directors held on 26 February 2002, the following members were appointed to the audit and compliance committee:

S.J. Maitland (Chairman)

S.T. Templeton

The committee reports to the board throughout the year on its activities. Minutes of all its meetings are tabled at board meetings.

The responsibilities of the audit and compliance committee include:

- reviewing all financial statements and making the necessary recommendations to the board for approval and external release.
- providing direct access for external auditors either to the committee or to the board.
- reviewing the scope and results of external audits with the auditors. The external auditors each year write to the committee chairman setting out in detail the scope and issues arising from the audit. The committee discuss this report with the auditors at a formal meeting.
- consideration of the company's financial statements and announcement of results before release.
- reviewing the group's accounting policies and taxation affairs, and the adequacy of internal controls.
- reviewing compliance with accepted standards of ethical conduct, laws and regulations.

The audit and compliance committee has the right to consult with external auditors in the absence of management and to consult with the Chief Executive Officer and may obtain independent professional advice at the cost of the company.

## 1.3 Remuneration Committee

The board established a remuneration committee on 26 February 2002, consisting of the following members:

J.M. Ruscoe (Chairman)

D. Crerar

This committee is responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and senior management.

## 2. MANAGEMENT OF RISKS

Internal policies and procedures for accounting and financial reporting, internal control, foreign exchange, equal opportunity employment, internal industrial relations, and environmental performance reporting are regularly reviewed by the board.

## 3. ETHICAL STANDARDS

Board members, executive management and all employees are made aware of the requirements to follow corporate policies and procedures, to obey the law and to behave with high standards of honesty, integrity, fairness and equity.

This awareness is created through the company's induction and on-going programs.

# 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 18 March 2002.

## (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	396	254,639
1,001 - 5,000	1,138	3,025,405
5,001 - 10,000	376	2,900,733
10,001 - 100,000	298	6,984,042
100,001 and over	25	7,754,370
	2233	20,919,189
The number of shareholders holding less than a marketable parcel of shares are:	218	84,283

## (b) Twenty largest shareholders

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

	Listed Ordinary Shares	
	Number of shares	Percentage of ordinary shares
1 PEANUT COMPANY OF AUSTRALIA LIMITED	2,266,456	10.83
2 HATTERWICK PTY LTD	1,039,294	4.97
3 SIBEN NOMINEES PTY LTD	440,000	2.10
4 MR VITTORIO ALBERTI	373,800	1.79
5 MR FREDERICK DANNECKER	367,700	1.76
6 DOUGLAS MEADEN PTY LTD	216,090	1.03
7 MR JOHN BARR	214,774	1.03
8 MR SAMUEL NOEL ELMS	211,464	1.01
9 KOSATA PTY LTD	209,900	1.00
10 MRS FELICITY RUTH BENOIT & MR ASHLEY LAURENCE BENOIT	203,280	0.97
11 MR PATRICK WILLIAM O'BRIEN	200,000	0.96
12 WALTON GINGER PINE PTY LTD	196,600	0.94
13 H J LANGDON & CO PTY LTD	182,000	0.87
14 RATHVALE PTY LIMITED	162,338	0.78
15 MRS CATHRINA PENNY ELIZABETH BROWN	148,000	0.71
16 MRS HAZEL VIVIENE GILL	148,000	0.71
17 MRS SHIRLEY FLORENCE KROPP	148,000	0.71
18 COMFRA PTY LTD	144,000	0.69
19 MR KENNETH JOHN FOOTS & MRS NORMA AGNES FOOTS	142,703	0.68
20 GORDON BENJAMIN LOVE	142,104	0.68
	7,156,503	34.22

# ASX Additional Information

## (c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Law are:

	Number of shares
Peanut Company of Australia Limited	2,266,456
Hatterwick Pty Ltd (as trustee for the Templeton Family Trust)	1,147,533

## (d) Voting rights

All ordinary shares carry one vote per share without restriction.



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# Corporate Directory

## DIRECTORS

**John M. Ruscoe**

Chairman

**Gerard D. O'Brien**

Managing Director and Chief  
Executive Officer

**Stephen J. Maitland****Doris Crerar****Shane T. Templeton**

## COMPANY SECRETARY

**Karon L. Rogers**

## SENIOR MANAGEMENT

**Paul G. Ritchie**

General Manager -  
Marketing & Sales

**Karon L. Rogers**

Financial Controller /  
Company Secretary

**Gerry P. Campbell**

Manufacturing Manager

**Paul V. Stevens**

Technical Manager

**Peter W. Knight**

Supply Chain Manager

**Joy L. Varney**

Tourism Manager

**Stephen T. Dennis**

Engineering Manager

## SHARE REGISTRY

**Computershare Investor Services  
Pty Limited**

345 Queen Street  
Brisbane Qld 4000

## BANKERS

**Westpac Banking Corporation**

107 Currie Street  
Nambour Qld 4560

## LAWYERS

**Phillips Fox**

1 Eagle Street Street  
Brisbane Qld 4000

## AUDITORS

**Ernst & Young**

Chartered Accountants  
1 Eagle Street  
Brisbane Qld 4000

## ASX CODE

**BUG**

## AUSTRALIAN BUSINESS NUMBER

**68 010 978 800**

## OFFICES

**Registered and Operational Office**

50 Pioneer Road  
PO Box 231  
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Telephone: 07 5446 7100  
Facsimile: 07 5446 7520  
Email: [buderimg@buderimginger.com](mailto:buderimg@buderimginger.com)

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Facsimile: 201 847 8184  
Email: [america1@buderimginger.com](mailto:america1@buderimginger.com)

**Fiji**

Yee Wah Sing Frespac Ltd  
Lot 14 Wailada Estate, Lami  
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Telephone: 679 362 863  
Facsimile: 679 361 225  
Email: [frespac@is.com.fj](mailto:frespac@is.com.fj)

