2013 ANNUAL REPORT

The Annual General Meeting of Buderim Ginger Limited will be held at *The Ginger Factory*, 50 Pioneer Road, Yandina Qld on 29 November 2013 at 10 a.m. The business of the meeting is outlined in the formal Notice of Meeting and Proxy Form which are enclosed with this report.

CONTENTS

OUR VALUES

> Respect, honesty and integrity
> An unwavering focus on health and safety
> Excellence over mediocrity
> A drive to continually improve our cost platform
> Environmental and social responsibility

OUR MISSION

Our mission is to be the leading global supplier of quality food products in our chosen market sectors.

We focus on continued improvement in profitability and value all our stakeholders by placing consumers and customers at the heart of our business.

From the farmer to the consumer, we create distinctive brands and trusted relationships that are mutually beneficial and focused on long-term sustainability.

We treat our people with respect, honesty and integrity, supporting them to reach their fullest potential, thereby shaping their and our future.

We will be at the forefront of our target markets.

OUR VISION

We are committed to building & sustaining mutually beneficial relationships within our social & commercial communities.

These relationships are supported with the shared values of quality and responsibility reflected in our everyday activities.

This allows us to be environmentally sustainable and socially responsible in our pursuit of long-term commercial value for all our stakeholders.

We create long-term value for our community when:

> Our shareholders realise a superior return on their investment,
> Our employees are driven to achieve and are recognised for their accomplishments,
> Our customers and suppliers benefit from our trading relationships, and
> Our consumers and customers are passionate about our products and brands.

CHAIRMAN'S MESSAGE AND CEO'S REVIEW

Dear Shareholders,

Following a change in our year end to 30 June we are only reporting in respect of a 6 month period.

In January 2013 it was announced that former CEO Murray Richardson had resigned for personal reasons and his place was taken in April 2013 by Roger Masters, a former Managing Director of Capilano Honey.

It has been a turbulent 6 months with the group substantially affected by the adverse results from the baking business. We reported last year that management would focus on returning the Baking business to profitability and then look at the long term options. Whilst management was proactive in sourcing new business, success was limited. It is a highly competitive industry driven by the need for economies of scale. Without the necessary sales volumes the business was likely to run at a loss and by the end of the first quarter it was evident a turn-a-round would be a lengthy process. The prospect of an impairment of assets was reported at the AGM and subsequently a decision was made to list the business for sale. This would have the effect of stemming both trading losses and cash outflow from that entity.

Subsequent to year end an unconditional contract for sale of the business was entered into and it was sold for $1.9 million including an allowance of $900,000 for stock. This was settled on 30 September 2013.

The groups net loss after tax of $(4.6) million for 6 months has been affected by not only the Baking business but also by the seasonality of our Ginger and Macadamia businesses. The 6 month result also includes the payment of a dividend for a 12 month period. Additionally, all our debt has been classified as current to comply with relevant accounting standards whereby any waivers in respect of non-compliance must be received prior to the year end in order to classify liabilities into current and non-current. Subsequently, Rabobank have confirmed our facilities extend for the 12 month period, a review which takes place annually.

The outlook for the business remains positive. Management can now focus on our core businesses of Ginger and Macadamias, without the substantial distraction imposed by a non performing Baking business. Opportunities have been identified to improve our product range, branding and market penetration in Ginger, while we are reviewing the brand opportunities and product range in Macadamias. We will also consider any other opportunities to increase returns to our shareholders.

The board of Buderim Ginger offers its thanks to the management and staff for their efforts over this period.

CEO's Review

It has been a challenging 6 month period dealing with the continued impact on our group of the trading losses arising from our baking business. Such a business has a debilitating impact on profitability, cash flow and our staff, whose efforts are drawn away from the core businesses in attempting to repair a non-core business.

I will offer some comment upon the current level of profitability, our balance sheet, our cash flow and what we intend doing about it.

Profitability

The BUG group net loss before tax for 6 months is $(6.43) million. Excluding baking, the net loss before tax is $(166,000). We will examine the segment results.

The segment results for the 6 months ending 30 June 2013 are:

$'000's	Ginger	Baking	Tourism	Macadamias	Total
Revenue (external)	11,981	4,125	1,745	16,524	**33,665**
Revenue Consolidated					**34,977**
EBITDA	425	(5,825)	(22)	820	**(4,602)**
EBIT	(120)	(6,126)	(129)	435	**(5,940)**
Net Profit before Tax	(371)	(6,264)	(149)	354	**(6,430)**
Net Profit after Tax					**(4,601)**
Includes:					
Inventory Writedowns	(116)			(377)	**(493)**
Asset Impairments		(4,389)			**(4,389)**
Provisions for onerous contracts		(532)			**(532)**

Baking

The result for the Baking business before impairment and provisions was a $1.34 million loss for the 6 months. It was recognised that this was unsustainable for our group despite efforts to increase sales and a brief but intense campaign to sell the business began in June 2013. A few companies in the baking industry expressed interest and an unconditional contract was entered with Homestyle Baking Company Pty Ltd just after 31 August 2013, settling on 30 September 2013.

Almost all employees were retained in the new operation being run by Homestyle, who hope to capitalise on their experience in the baking industry and synergistic benefits that may be available by combining with their existing baking business.

The sale proceeds were used to pay down debt in the amount of $500,000 with the balance used to augment BUG working capital. In addition, we obtained a surrender of the lease in respect of the baking premises which had a further 5 years to run, being a contingent liability of $2.4 million.

Ginger

There has been a past focus on the supply side of the ginger business with the purchase of a company in Fiji to complement our Australian supply chain. This helps to diversify our risk in case of problems with our domestic supply eg disease. We are examining again what role the Fiji operation can play to build our market.

We also need to recognise the quality features of the Australian product and what we can do to provide domestic growers with reasonable compensation in order to ensure local supply. That takes us to the other side of the equation – the markets in which it is sold. We need to be competing in those segments with products which produce reasonable margin, for that to be reflected in better financial returns to growers.

We have already completed an external assessment regarding the strength of our brand; we have reviewed our current product offering to re-assess which products' performance warrant retention. We have some new product development which we expect will position us with products our customers and consumers want. There have been changes made in our sales & distribution personnel in order to expedite the execution of this plan, including the possibilities relating to promotion of ginger.

Last year ginger operations started a review of how to do things better. There are a number of opportunities. That review remains to be completed. The issue may become how to fund these things and the first challenge is to become financially stronger.

Macadamias

The seasonality of the macadamia crop has affected the results which flow from this division. The intake and subsequent sales occur mainly in the second half and we should see an improvement in our result when reporting the first half of the current financial year to 31 December.

The quantity and price of available nuts was affected by a higher level of Chinese interest in the local crop. However, at least BUG has the support of its own orchard in Hawaii in respect of supply.

It has been noted previously that the Hawaiian macadamia business, MacFarms, operates in a challenging agricultural environment. However, a cost base has been established that has delivered profits for the last few seasons. Our challenge will be to continue to operate MacFarms profitably.

We will review our strategy of supply in this macadamia business to ensure long term profitability through supporting our marketing efforts.

In a previous report we questioned our involvement in the branded segment of the macadamia market. While we have branded sales out of Hawaii, the majority of our business is the supply of high quality ingredients. The issue is whether risk diversification requires us to consider our position, with 'all our eggs in one basket'. The other issue is currently all value adding propositions are outsourced, including the margins that go with it. Can we make the change if the profitability and risk assessment warrant it? Currently we are reviewing the use of the MacFarms brand for use in retail products and also making consumer products that use macadamia as an input. Macadamias used as a small percentage of the product could produce a larger return per kilogram of nut, compared with an industrial sale of 100% macadamia.

Tourism

It has been a challenging environment for most Sunshine Coast operators with foreign currency rates making overseas destinations more attractive to locals while overseas visitors see us as relatively expensive.

However, investment in the cafés and Overboard Ride seems to help support the offering and the local visitor numbers now appear to be picking up. Reward cards are showing return visitors who come back to enjoy the ambience that the park offers. The installation of a children's playground similar to the MacDonald's concept is expected to improve the visitors experience by allowing parents some respite to enjoy their food from the café and also encourage those return visits.

Head Office

The concept of 'head office' is to centralise those things that do not operate better in a decentralised structure and to decrease duplication and hence decrease cost. The key areas of marketing, finance, human resources, information technology management and quality management are areas which in most cases are centralised.

BUG's financial management system was not functioning as well as expected and following a review of our needs it was decided in June 2013 to implement a new ERP system to replace the existing system. An upgrade of the old system had been proposed but it was decided that for approximately the same cost we could implement a system called QAD, used by a wide number of other food businesses in Queensland and Australia.

In marketing, a marketing manager was appointed to oversee development in both Ginger and Macadamia markets. This builds on consumer research done last year and also visits the concept of brand architecture when reviewing what brand, what product, what packaging and what distribution we should be in.

Other areas of Head Office application are being reviewed.

Balance Sheet and Cash Flow

The balance sheet shows the impact of both the re-classification of debt and the losses relating to the baking business.

	2012	**2013**
Current Ratio (current asserts/current liabilities)	1.56	**1.03**
Debt Ratio (Total Liabilities/Total Assets)	50.0%	**59.4%**
Working Capital ($'000's)	19,705	**21,316**
Net Assets ($'000's)	34,483	**29,770**

Working capital has increased in the area of stock by $6,488k funded through an increase in trade creditors of $4,543k and bank debt. The ginger inventory has moved up significantly and agreement was reached in respect our contracted supplier to spread payment around its expected date of use.

Better planning is required in our management of working capital.

Cash generated from operating activities is shown as a $(1,812)k outflow compared with the previous 12 month period of a $2,517k inflow. This was largely a result of the baking business with some impact caused by the seasonality of the macadamia business.

A dividend of 3 cents per share was paid in respect of the preceding 12 month period.

Outlook

In order to improve profitability BUG's businesses need to establish themselves as low cost structures with better automation and more vertical integration than we have seen previously. That process has begun and needs more urgency attached to it.

With some renewed focus on our brands and products we feel we can re-introduce ginger to another level of consumers. Communication will be an important element of that process and work has begun on refreshing BUG's digital media platform.

Opportunities exist with macadamias for brand involvement and making better use of the assets we have. Some contract processing in MacFarms has been carried out in order to support overhead and we will continue discussion with suppliers regarding future plans.

Our employees have worked hard to effect changes required to place the group in a better position and I thank them for their positive attitude and efforts over this period.

Steve Morrow
Chairman

Roger Masters
CEO

FINANCIAL STATEMENTS

DIRECTORS' REPORT

Your directors submit their report for the transitional year which commenced on 1 January 2013 and ended on 30 June 2013.

DIRECTORS

The names and details of the company's directors in office during the financial period under review and at the date of this report are as follows:

Names, qualifications, experience and special responsibilities

CURRENT DIRECTORS

Stephen John Morrow, B.Ag Econ, UNE, MAICD.

(Non-executive Chairman and Chairman of Remuneration Committee)

Mr Morrow joined the Board in February 2010. He has had 35 years' experience in Agribusiness in the grain, wool, pastoral, banking and food processing industries. Over the past 17 years he has held the positions of Managing Director ConAgra Wool Australia, Managing Director Primac Holdings, General Manager Agribusiness, Suncorp and Chief Executive Golden Circle Limited. He presently holds directorships with Horticulture Australia Ltd, Cefn Pty Ltd, and IHD Pty Ltd t/a AgLink. Mr Morrow is 59 years of age. Mr Morrow has not held any other listed company directorships in the past 3 years.

Shane Tyson Templeton, B.Bus, FAICD.

(Non-executive Director and Member of the Audit & Compliance Committee)

Mr Templeton has been a director since 21 February 2002. He 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 5 years. Mr Templeton is a director of Templeton Ginger Pty Ltd, Redarea Pty Ltd and the Victory COC (Gympie) school board. Mr Templeton is 41 years of age. Mr Templeton has not held any other listed company directorships in the past 3 years.

George Vasili

(Non-executive Director and Member of the Remuneration Committee)

Mr Vasili was appointed a director on 1 July 2011. Mr Vasili has had over 30 years' experience in the food industry and is the founder, shareholder and Managing Director of Global Foods Group Pty Ltd, an importer, wholesaler, distributor and manufacturer of food products. Mr Vasili is also a proprietor and beneficiary of several private companies and trusts which hold a portfolio in retail, commercial and industrial property investments and investments in private and publicly listed securities. Mr Vasili is 65 years of age. Mr Vasili has not held any other listed company directorships in the past 3 years.

Margaret Walker B.Com., CPA, GAICD.

(Non-executive Director and Chairman of the Audit & Compliance Committee)

Ms Walker was appointed a director on 22 October 2012. Ms Walker has held a number of executive financial roles within the financial services industry including 10 years as CFO and Executive Director of marketing, business development, finance, risk and compliance for Tactical Global Management (TGM), a pre-eminent global macro hedge fund firm with offices in Brisbane and London. She is currently a Non-Executive Director of Defence Housing Australia (DHA), the Chairman of the DHA audit committee and a member of the DHA remuneration and nominations committee. She also holds a Non-Executive Director position with Cystic Fibrosis Australia. Ms Walker is 52 years of age. Ms Walker has not held any other listed company directorships in the past 3 years.

COMPANY SECRETARY

Karon Lesley Rogers, B.Bus., FCPA, FCSA, FAICD.

Ms Rogers commenced with Buderim Ginger Limited in 1988 as Company Accountant. She was promoted to Corporate Services Manager in 1992 and to her current role as Company Secretary/CFO in 1995. Prior to joining the company, she worked in accounting management roles within the food manufacturing and building industries, whilst also teaching part-time in the TAFE system for approximately 10 years. Ms Rogers completed the AICD Directors Diploma in 2002, and attended the AICD International Company Directors Diploma course in 2008. She has been a CPA for over 20 years and is a Fellow of both the Institute of Chartered Secretaries and the Institute of Company Directors.

As at the date of this report, the interests of the directors in the shares of Buderim Ginger Limited were:

	Ordinary Shares
S. Templeton (1)	56,209
S. Morrow (2)	-
G. Vasili (3)	-
M. Walker (4)	-

(1) S.T. Templeton holds a relevant interest in 13,297 shares registered in the name of Templeton Holdings (Qld) Pty Ltd, 979,445 shares registered in the name of Redarea Pty Ltd (The Templeton Family Account).
(2) S.J. Morrow holds relevant interest in 39,674 shares registered in the name of S.J. Morrow & B. Morrow (Morrow Family Superannuation Fund).
(3) G. Vasili holds a relevant interest in 6,595,364 shares registered in the name of The John Cheadle Trust.
(4) M. Walker holds no shares in the company and has no relevant interest in shares.

EARNINGS PER SHARE	Cents
Basic earnings per share	(22.3)
Diluted earnings per share	(22.3)

There were no options issued or exercised during the period.

DIVIDENDS

Dividends paid in the period:

Directors declared a 3 cent dividend (post-consolidation) to be paid out of the profits for the year ended 31 December 2012.
This dividend was paid on 31 May 2013.

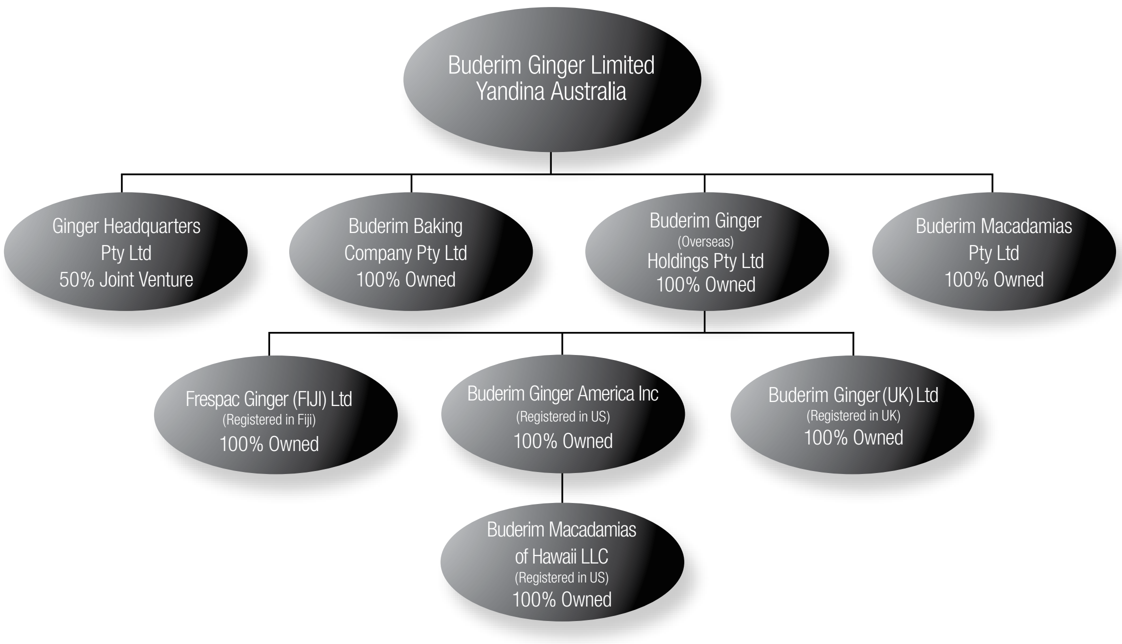
Dividends declared for current period:

A dividend has not been declared for the transitional year which commenced on 1 January 2013 and ended on 30 June 2013.

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 period, which are outlined in the following illustration of the group's corporate structure:



NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities during the period of entities within the consolidated entity are conducted in the business segment of:

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

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

EMPLOYEES

The consolidated entity employed 394 employees as at 30 June 2013 (December 2012: 416 employees). The number of employees will vary from year to year, and during each year, due to seasonal factors. The Australian and Fijian ginger segments employed 120 and 91 employees respectively (2012: 96 and 109). The Australian ginger segment includes tourism and corporate staff members. Employees engaged within the baking segment at June year-end were 41 (December 2012: 42). Employees employed within the Australian macadamia segment were 72 (December 2012: 16). The Hawaiian macadamia segment (including the orchard operation which engages a large proportion of seasonal labour) had 70 employees at June 2013 year-end (December 2012: 153).

OPERATING AND FINANCIAL REVIEW

Summarised operating results attributable to equity holders of Buderim Ginger Limited are as follows:

	2013 (6 months)		2012 (12 months)	
	Revenues $'000	**Results* $'000**	Revenues $'000	Results* $'000
Business segments				
Ginger processing and distribution	**14,689**	**(110)**	28,891	1,675
Baking operations	**4,279**	**(6,154)**	9,681	(1,782)
Macadamia operations - Australia	**8,066**	**(724)**	20,240	1,124
Macadamia operations – Hawaii	**9,561**	**1,439**	15,982	3,945
Tourism operations	**1,857**	**(132)**	3,877	216
Total	**38,452**	**(5,681)**	78,671	5,178
Consolidated entity adjustments	**(3,475)**		(1,501)	
Corporate overhead expenses	**-**	**(772)**	-	(2,223)
Share of profit/(losses) of joint controlled entities and associates	**-**	**23**	-	53
Consolidated entity income and profit/(loss) from ordinary activities before income tax expense	**34,977**	**(6,430)**	77,170	3,008
	2013 $'000		2012 $'000	
Geographic segments - revenue				
Australia	**22,554**		60,084	
United States	**11,887**		17,704	
Fiji	**4,011**		5,622	
	38,452		83,410	
Consolidated entity adjustments	**(3,475)**		(6,240)	
Consolidated entity income	**34,977**		77,170	

*Business segment results represent profit before corporate interest and tax.

This result includes non-cash impairment of Baking's assets which amounted to $4.39m including $2.02m in goodwill. Additionally a provision for onerous contracts of $532k and a provision for make-good of $587k have been made in the accounts.

The 6 month result was further affected by the seasonality of the group's business whereby the majority of turnover and profitability is achieved in the July to December period.

In Summary

On 27 May 2013, Directors advised the market of a change in the financial year for reporting purposes from 31 December to 30 June each year, with a transitional period of six months to 30 June 2013. This decision was taken to synchronise the Company with common Australian practice and with other companies in the food industry.

In accordance with accounting standard requirements, the comparatives in the financial statements for the 6 month transitional period, are the financial results for the year ended 31 December 2012.

At the last annual general meeting the Chairman advised shareholders that the future of Baking was subject to the establishment of new customer contracts, and if this was not realised, there could be a potential asset write-down. The new business was required to offset the loss of a major customer at the end of 2011.

On 25 June 2013 Directors informed the market that they were seeking expressions of interest for sale of the Baking business to enable the Group to focus on its core business in the areas of ginger, macadamias and tourism. Advisors were engaged to advertise, seek out and shortlist potential purchasers. A number of parties expressed interest and factory visits were conducted. As at 30 June 2013 the Directors believed that the sale of the Baking division was not highly probable and as such, the Baking division was not recorded as held for sale. A contract of sale for the Baking's business assets has been signed subsequent to the year end with a completion date of 30 September 2013. As at the period ended 30 June 2013, an impairment assessment had been made on the Baking division resulting in an impairment of $4.39m to record the assets at their fair value. The sales contract entered into subsequent to the period end for the Baking division is materially consistent with the fair values recorded at balance date.

The Group has recorded a before-tax loss of ($6.43m) and an after-tax loss of ($4.60m) for the six month period ended 30 June 2013, compared to the before-tax profit of $3.0m and an after tax profit of $1.84m recorded for the year ended 31 December 2012. This result includes non-cash impairment of Baking's assets amounting to $4.39m including $2.02m in goodwill. Additionally a provision for onerous contracts of $532k and a provision for make-good of $587k have been made in the accounts.

The 6 month result was further affected by the seasonality of the group's business whereby the majority of turnover and profitability are achieved in the July to December period.

As at 30 June 2013, the Group did not meet two of its banking covenant ratios with Rabobank Australia due to the above seasonality factors, the provisions for baking closure and the payment of a 12 month dividend reported in a six month period. Discussions are being held with Rabobank regarding revision of covenants to fit a June year-end timing when inventory and debt peak due to harvest activity. Based on discussions with Rabobank, the Directors believe that the group will continue to have the support of Rabobank. The company's current banking facilities extend to 31 May 2014 and despite failure to comply with two covenant ratios, the company continues to meet all of its interest and debt repayments. Should Rabobank not continue to support the group, this would indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Unless a waiver in respect of the above breaches was received before 30 June 2013 from Rabobank then applicable accounting standards require all such debt to be classified as current liabilities in this set of financial statements. Directors are confident that this will be short-term and the ability to maintain focus on the core businesses of ginger, macadamia and tourism will result in a re-classification within the next reporting period.

The results for this period include:

- Continuing strong performance in the Hawaiian macadamia business;
- Drop in supply of Australian ginger balanced by a higher intake of Fiji ginger;
- A lower Australian macadamia harvest than forecast; and
- A flat performance in tourism with a small decline in visitor numbers.

The chairman informed shareholders at the April AGM of the sudden death of Mr John Wilkie, the General Manager – MacFarms of Hawaii on the 6 February 2013. Mr Wilkie had an association with the Company since its move into the macadamia industry. John was instrumental in guiding the development of both the Australian and Hawaiian macadamia operations. Apart from his work with Buderim Ginger, John maintained a high profile in the macadamia industry, an industry he had championed internationally for the last 30 or more years.

Directors announced in January 2013, that the CEO, Mr Murray Richardson had resigned effective 5 April 2013 due to personal family reasons. The Board extends their thanks to Murray for his efforts during his time at Buderim Ginger Limited.

Mr Roger Masters, B.Com, CA, MBA commenced as CEO on 18 March 2013. Mr Masters, a fellow of the Australian Institute of Company Directors, was previously Managing Director of Capilano Honey Ltd, a position he held for 16 years until 2012. Capilano is an ASX listed public company competing in the agribusiness and FMCG sector in domestic and export markets. Roger has an extensive career in senior management with significant experience in finance, marketing and business development. In his short time with the Company, he has commenced evaluating and restructuring the operational platform in each business division, with the aim of improving our future results.

Shareholder Returns and Performance measurements

For the year ended		2013 6 Months	2012	2011	2010	2009
		Post Consolidation			Pre Consolidation	
EBIT ($'000)	(a)	**(5,940)**	4,181	3,137	(1,922)	(1,962)
EBITDA ($'000)	(a)	**(4,602)**	6,858	5,710	752	841
Basic earning per share (cents)		**(22.3)**	8.91	2.20	(4.80)	(4.26)
Dividend per share (cents)	(b)	**-**	3.00	0.50	-	-
Dividend payout ratio (%)	(b)	**-**	33.7	22.7	-	-
Return on assets (%)	(c)	**(6.3)**	2.67	2.23	(3.64)	(3.45)
Return on equity (%)	(d)	**(15.5)**	5.34	4.49	(9.19)	(8.79)
Debt / equity ratio (%)	(e)	**77.9**	57.2	65.1	111.6	113.6
Gearing ratio (%)	(f)	**59.4**	50.0	50.3	60.4	60.7
Current ratio (%)	(g)	**103**	156	102	80	91
Net tangible asset backing (cents)	(h)	**122**	148	37	59	66

(a) EBIT and EBITDA are used as measures of profitability and reflect earnings attributable to equity holders of Buderim Ginger Limited. EBIT is earnings before interest and tax. It represents the addition of profit before tax and net finance costs (finance costs less finance revenue). EBITDA is earnings before net interest cost, tax, depreciation and amortisation (EBIT plus depreciation and amortisation) (refer note 5).

(b) These figures reflect the dividend amounts declared per share subsequent to reporting dates (refer note 9). The dividend declared subsequent to reporting date of 31 December 2012, has been shown above pre and post share consolidation. The dividend payout ratio is calculated by dividing the dividend per share by the basic earnings per share, and as such, measures the percentage of earnings to be distributed to shareholders.

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

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

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

(f) Similarly, the calculation of total assets funded by external stakeholders is demonstrated on the following page. This ratio is calculated by dividing total liabilities by total assets and is expressed as a percentage.

(g) The current ratio is a measure of liquidity. It is calculated by dividing current assets by current liabilities. Note that in 2013 all Rabobank borrowings are classified as current. Refer Note 2 (a).

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

REVIEW OF FINANCIAL CONDITION

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of debt, which includes borrowings (disclosed in Note 19), cash and cash equivalents and equity attributable to the equity holders of the parent (comprising issued capital, reserves and retained earnings as disclosed in Note 21, and on the face of the Statement of Changes in Equity). There are no externally imposed capital requirements. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

REVIEW OF FINANCIAL CONDITION (CONTINUED)

Liquidity and Capital Resources

The consolidated statement of cash flows shows an increase in cash and cash equivalents for the six months ended 30 June 2013 of $76k. Net cash flow from operating activities was a negative $1.8m due mainly to the completion of the annual ginger intake in the six month period. The excess of payments to suppliers over receipts from customers during this period also reflects high trading losses in the Baking segment. It should be noted that comparative figures are for a full 12 month period ended 31 December 2012 which includes positive cash flows from the traditionally higher sales and profitability in the second half of the calendar year which will now be the first half of the new financial year for the Group.

Investment activities included capital expenditure of $1m.

Financing activities show drawdowns under the newly established crop funding facilities and borrowing under insurance premium funding arrangements. Outflows include loan amortisation payments to Rabobank Australia, loan repayments to other financiers, insurance premium repayments to Westpac Banking Corporation, and an equity dividend to shareholders for the year ended 31 December 2012.

Asset and capital structure

	JUN 2013 TOTAL OPERATIONS $'000	DEC 2012 TOTAL OPERATIONS $'000	DEC 2011 TOTAL OPERATIONS $'000
NET GEARING			
Debts			
Interest bearing loans and borrowings	**21,624**	17,403	19,712
Cash & short term deposits	**(1,443)**	(1,230)	(3,295)
Net Debt	**20,181**	16,173	16,417
Total equity	**29,770**	34,483	34,333
Total capital employed	**49,951**	50,656	50,750
	40.4%	31.9%	32.3%
ASSETS FUNDED BY EXTERNAL STAKEHOLDERS			
Total assets	**73,300**	68,898	69,128
Total liabilities	**43,530**	34,415	34,795
	59.4%	50.0%	50.3%
DEBT/EQUITY			
Total equity	**29,770**	34,483	34,333
Intangibles	**(2,029)**	(4,033)	(4,032)
	27,741	30,450	30,301
Interest bearing loans and borrowings	**21,624**	17,403	19,712
	77.9%	57.2%	65.1%

The Group's policies for determining the level of debt entered into is examined on a yearly basis in conjunction with financiers. All amounts owed to Rabobank Australia Limited under bill facilities are normally reclassified as either current or long term depending upon the term of the agreement. Although a component of the bills included in the Rabobank facility have a 3 year term, all debt owed to Rabobank as at 30 June 2013 has been classified as current due to breach of two covenant ratios in accordance with the accounting standard AASB101.

Unless a waiver in respect of the above breaches was received before 30 June 2013 from Rabobank then applicable accounting standards require all such debt to be classified as current liabilities in this set of financial statements. Directors are confident that this will be short-term and the ability to maintain focus on the core businesses of ginger, macadamia and tourism will result in a re-classification within the next reporting period.

REVIEW OF FINANCIAL CONDITION (CONTINUED)

Shares issued during the year

During the 6 months ended 30 June 2013, there were no new shares issued.

Profile of Debts

The profile of the Group's debt finance below reflects the reclassification of a portion of bill facilities from long-term to current as at 30 June 2013.

In 2012, bill facilities were classified as both current and long-term on re-establishment of borrowing facilities with Rabobank. However as at 30 June 2013 all debt has been classified as current as mentioned above.

The figures below show the partial utilization of the crop funding facility established in May 2013

	JUN 2013 $'000	DEC 2012 $'000	DEC 2011 $'000
CURRENT			
Bank overdraft	**425**	288	-
Bank bill facility	**20,283**	8,061	19,054
Bank loans	**690**	422	581
	21,398	8,771	19,635
NON-CURRENT			
Bank bill facility	**-**	8,331	-
Bank loans	**226**	301	77
	226	8,632	77
	21,624	17,403	19,712

TREASURY POLICY

The Group's treasury function is co-ordinated by the parent entity which is responsible for managing the Group's currency risks and finance facilities under the supervision of the Audit & Compliance Committee. The treasury function operates within policies set by the Board. The Audit & Compliance Committee is directly responsible for ensuring that management's actions are in line with Group policy.

Hedging is undertaken through the use of borrowings in overseas currency, interest rate swap contracts and foreign exchange contracts.
No speculative trading in derivatives is undertaken. All derivatives have underlying commercial transactions.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

A number of dormant entities within the Buderim Ginger group were deregistered during the 6 months ended 30 June 2013. These entities included Gingertown Pty Ltd, Australian Golden Ginger Pty Ltd and Buderim Ginger America, LLC. Buderim Ginger (UK) Limited is also in the process of being deregistered as all market activity in the UK market is undertaken by an agent on the Group's behalf.

Due to the Baking business's delay in meeting profitability targets, Directors made the decision to withdraw from the Baking segment to eliminate trading losses going forward. On 25 June 2013 Directors called for expressions of interest in the Baking assets. Please refer to significant events after balance date below.

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the end of the reporting period, directors commenced discussions with a potential purchaser of Baking's assets. These negotiations resulted in the signing of the contract of sale through which an amount of $1m will be realised on Baking's assets (being primarily plant and equipment) which were written down to their fair value as at balance date which was not significantly different to the sales price achieved. Additionally an amount of up to $900k will be realised on inventory. The completion date in the contract of sale is 30 September 2013.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Despite poor global economic conditions, which have a major impact on the Group's export sales demand and margins, offshore purchases and the translation of foreign-domiciled subsidiaries financial statements, Group businesses are targeting continuing profitability in 2013/14 with moderate growth in turnover, net profit before tax and EBITDA.

Despite uncertainties which exist in forecasting, such as climatic influences on harvesting and associated volumes, implications of customer's inventory management on the timing of sales, and fluctuations in economic factors, over the forthcoming 12 month period, Directors expect the financial statements to show growth in profitability over the 2013 result (before entries associated with the cessation of the Baking business).

The growth in profitability, combined with continuing debt reductions, will be reflected in improved balance sheet ratios.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this financial report because directors believe it would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Buderim Ginger Limited and its subsidiaries have entered into Deeds of Indemnity, Insurance and Access. These deeds provide that the company indemnify all current and future directors and secretaries in accordance with the provisions of the Corporations Act 2001, and provide them with access to the company books and records for a period of 7 years after they cease to be a director or secretary of the company.

During the financial period, the company has paid premiums in respect of a contract insuring all the directors and officers 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 232(5) or (6) of the Corporations Act 2001; and

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

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

OPTIONS

No options over unissued shares or interests in the company or a controlled entity were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for directors and executives of Buderim Ginger Limited (the company).

Remuneration philosophy

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

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

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

Remuneration committee

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

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and senior manager remuneration is separate and distinct.

Non-executive director remuneration

Objective

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

REMUNERATION REPORT (Audited) ***continued***

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 20 April 2000 when shareholders approved an aggregate remuneration of $250,000 per year, effective from 1 January 2000.

The amount of aggregate remuneration approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers external remuneration surveys as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the company. Additional fees are not currently paid for any board committee on which a director sits, although considerable time commitments have been afforded by directors serving on various board sub-committees. Non-executive directors have long been encouraged by the board to hold shares in the company (purchased by the director on market). It is considered good governance for directors to have a stake in the company. The remuneration of non-executive directors for the period ended 30 June 2013 is detailed in Table 1 below.

Senior manager and executive director remuneration

Objective

The company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company so as to:

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

Structure

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

It is the Remuneration Committee's policy that employment contracts are entered into with all executives to protect the interest of both the company and the employee. Unless otherwise stated, employment contracts are generally unlimited in term but capable of termination on one to six month's notice, depending upon the seniority of the role.

Unless otherwise stated, on termination, directors and executives are entitled to receive their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No other termination benefits are payable. Unless otherwise stated, service agreements do not provide for pre-determined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy outlined below.

The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Remuneration Committee.

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

- Fixed Remuneration; and
- Variable Remuneration - Bonus Incentive.

The proportion of fixed remuneration and variable remuneration (potential incentives) is established for each senior manager by the Remuneration Committee. Table 2 below details the fixed and variable remuneration components of senior executives who have the major influence on business decisions.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of companywide, business division and individual performance, relevant comparative remuneration in the market, internal relativities and, where appropriate, external advice on policies and practices. As noted above, the Committee makes reference to external advice/ surveys independent of management.

Structure

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

The fixed remuneration component of senior executives who have the major influence on business decisions is detailed in Table 2 below.

Variable Remuneration

Objective

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

Structure

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

The company has predetermined benchmarks (generally based on year-on-year improvement) which must be met in order to trigger payments under the incentive scheme. The achievement of revenue targets does not warrant a bonus payment unless a minimum level of profitability target has also been achieved. These performance conditions were chosen because they directly align the individual's reward to the KPI's of the Group and to its strategy and performance. Bonuses payable are capped at a maximum of 20% for all executives except the Chief Executive Officer whose incentive is capped at a maximum of 30% of the fixed component of salary.

On an annual basis, consideration is given to the actual performance of the individual executive against KPIs,and the overall performance of the company. These factors are taken into account when determining the amount, if any, of incentive to be paid to each executive.

Annual incentive payments available for executives across the company are subject to the approval of the Remuneration Committee. Payments made are delivered as a cash bonus. This method of assessment was chosen because it provides the committee with an objective assessment of the individual's performance.

REMUNERATION REPORT (Audited) ***continued***

Shareholder Wealth

	30 JUNE 2013	31 DECEMBER 2012	31 DECEMBER 2011	31 DECEMBER 2010	31 DECEMBER 2009	31 DECEMBER 2008
Share price (cents)						
Pre-consolidation	-	17	13	20	32	40
Post-consolidation	67	67*	-	-	-	-
Dividend paid per share (cents)	-	0.3	0.5	-	-	2.5

* A 4:1 share consolidation was undertaken in May 2012 reducing the number of ordinary shares on issue from 82,592,707 to 20,648,694.

Employment contracts

All executives are employed under employment contracts to provide a level of security to both the company and the individual. All employment contracts are for no fixed term and subject to one month's notice. However, the company may terminate contracts at any time without prior notice if serious misconduct has occurred.

Details of Remuneration of Directors and Executives

Details of the nature and amount of each element of the remuneration of each director of the company and other key management personnel of the Group are as follows:

Table 1 - Remuneration of directors of Buderim Ginger Limited

Name	Position Held	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Share Based Payments	Termination Benefits	Total Employment Benefits
		Cash salary and fees	Cash bonus	Non Monetary	Super	LSL			
Morrow, S	*Chairman (Non - executive)*	37,500	-	-	3,375	-	-	-	40,875
Templeton, S	*Director (Non - executive)*	22,500	-	-	2,025	-	-	-	24,525
Vasili, G	*Director (Non - executive)*	22,500	-	-	2,025	-	-	-	24,525
Walker, M	*Director (Non - executive)*	22,500	-	-	2,025	-	-	-	24,525
Total Directors	**for the period ended 30 June 2013**	105,000	-	-	9,450	-	-	-	114,450

Name	Position Held	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Share Based Payments	Termination Benefits	Total Employment Benefits
		Cash salary and fees	Cash bonus	Non Monetary	Super	LSL			
Morrow, S	*Chairman (Non - executive)*	65,000	-	-	5,850	-	-	-	70,850
Templeton, S	*Director (Non - executive)*	40,000	-	-	3,600	-	-	-	43,600
Vasili, G	*Director (Non - executive)*	40,000	-	-	3,600	-	-	-	43,600
Walker, M	*Director (Non - executive)*	10,000	-	-	900	-	-	-	10,900
Maitland, S	*Director (Non - executive) Retired Sept 12*	33,333	-	-	2,700	-	-	-	36,033
Total Directors	**for the year ended 31 December 2013**	188,333	-	-	16,650	-	-	-	204,983

Table 2 - Remuneration of other senior executive officers.

Name	Position Held	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Share Based Payments	Termination Benefits	Total Employment Benefits	Proportion of remuneration that is performance based %
		Cash salary and fees	Cash bonus	Non Monetary	Super	LSL				
Richardson, M	*Chief Executive Officer (to 5 April 2013)*	95,059	-	-	8,238	-	-	-	103,297	-
Masters, R	*Chief Executive Officer (from 18 March 2013)*	85,000	-	-	-	-	-	-	85,000	-
Rogers, K	*Company Secretary/ CFO*	70,114	-	18,011	6,987	3,033	-	-	98,145	-
Wilkie, J	*General Manager - MacFarms*	16,162	-	1,918	226	177	-	-	18,483	-
Dipplesman, D	*General Manager - Baking*	63,516	-	17,682	5,530	806	-	-	87,534	-
Burton, D	*General Manager - Agrimac*	64,852	-	27,048	5,800	2,616	-	-	100,316	-
Mikkelsen, C	*General manager - Tourism*	56,462	-	325	4,965	1,268	-	-	63,040	-
Todd, C	*Sales Director - Ginger*	66,005	-	11,540	5,794	1,384	-	-	84,723	-
Knight, P	*Operations Manager - Ginger*	59,708	-	16,586	6,468	1,848	-	-	84,610	-
Total Managers	**For the period ended 30 June 2013**	576,878	-	93,110	44,008	11,152	-	-	725,148	-

Name	Position Held	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Share Based Payments	Termination Benefits	Total Employment Benefits	Proportion of remuneration that is performance based %
		Cash salary and fees	Cash bonus	Non Monetary	Super	LSL				
O'Grady, R	*Chief Executive Officer (to 27 April 2012)*	210,400	-	9,923	-	-	-	-	220,323	-
Richardson, M	*Chief Executive Officer (from 16 April 2012)*	259,590	-	-	21,695	4,037	-	-	285,322	-
Rogers, K	*Company Secretary/ CFO*	143,078	-	30,771	13,559	5,309	-	-	192,717	-
Wilkie, J	*General Manager - MacFarms*	124,226	-	17,411	2,222	2,425	-	-	146,284	-
Dipplesman, D	*General Manager - Baking*	130,844	-	31,686	10,944	2,149	-	-	175,623	-
Burton, D	*General Manager - Agrimac*	128,366	-	27,118	10,742	2,163	-	-	168,389	-
Mikkelsen, C	*General manager - Tourism*	104,209	-	624	8,695	1,455	-	-	114,984	-
Todd, C	*Ginger Sales & Marketing Manager*	133,784	-	22,670	11,250	2,922	-	-	170,626	-
Knight, P	*Ginger Operations Manager*	122,332	-	34,362	12,560	2,541	-	-	171,795	-
Total Managers	**For the year ended 31 December 2012**	1,356,829	-	174,565	91,667	23,001	-	-	1,646,062	-

Notes

- Tables 1 and 2 above show remuneration for Directors & Key Management Personnel for the 6 month period ended 30 June 2013 compared to the 12 month period ended 31 December 2012.
- All elements of remuneration have been determined on the basis of the cost to the company and the consolidated entity.
- 'Cash salary and fees' includes annual leave entitlements accrued during the reporting period.
- The category 'Non-Monetary' includes the value of any non-cash benefits provided, such as fully maintained motor vehicle, insurance and/or professional membership subscriptions.
- The Group's insider trading policy prohibits those that are granted share-based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases. The Group requires all executives and directors to sign annual declarations of compliance with this policy throughout the period. There are currently no share-based payment arrangements agreed with employees as part of their remuneration structure.

End of Audited Remuneration Report

DIRECTORS' MEETINGS

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

	DIRECTORS' MEETINGS		AUDIT & COMPLIANCE COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS	
	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended
S. Morrow	6	6	-	-	-	-
S. Templeton	6	6	2	2	-	-
G. Vasili	6	6	-	-	-	-
M. Walker	6	6	2	2	-	-

Notes

- M. Richardson, CEO (30 April 2012 to 5 April 2013) was in attendance at the February 2013 audit & compliance committee meeting.
- R. Masters, CEO effective 18 March 2013, was in attendance at the May 2013 audit & compliance committee meeting.
- S. Morrow, Chairman was in attendance at the February 2013 and May 2013 audit & compliance committee meetings.
- G. Vasili was in attendance at the February audit & compliance committee meeting.

Committee membership

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

Members acting on the committees of the board during the period were:

AUDIT & COMPLIANCE	REMUNERATION
M. Walker	S. Morrow
S. Templeton	G. Vasili

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the directors of Buderim Ginger Limited support and strive to achieve the highest principles of corporate governance. The company's corporate governance statement is contained in the annual report.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, BDO Audit Pty Ltd. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

BDO receive or are due to receive the following amount for the provision of non-audit services:

Tax compliance and advisory services	$22,295

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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

Signed in accordance with a resolution of the directors.

S. Morrow
Director
Yandina, 30 September 2013

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DECLARATION OF INDEPENDENCE BY PAUL GALLAGHER TO THE DIRECTORS OF BUDERIM GINGER LIMITED

As lead auditor of Buderim Ginger Limited for the period ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

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

P A Gallagher

Director

BDO Audit Pty Ltd

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

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

This statement is provided to inform shareholders and other stakeholders of the governance arrangements in the company. Unless otherwise stated, the policies, practices and structures referred to in this Statement, have been in place for the whole of the reporting period. The company applies these arrangements to its operations both in Australia and internationally.

It is based on the requirements of the Corporations Law, the Listing Rules of the ASX, the recommendations of the ASX Corporate Governance Council, and other Australian and international guidelines. It is structured with reference to the Corporate Governance Council's principles and recommendations which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to add value
Principle 3	Promote ethical and responsible decision making
Principle 4	Safeguard integrity in financial reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of shareholders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

The directors have unanimously adopted these corporate governance principles. However this does not infer that the directors endorse all the recommended guidelines as being appropriate to the particular circumstances of the company. The directors are firmly of the opinion that these represent a transparent and comprehensive regime that provides a high level of assurance to all stakeholders.

NON COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS OF ASX CORPORATE GOVERNANCE COUNCIL

Where practical, the Group has complied with the Best Practice Recommendations suggested by the ASX Corporate Governance Council. However, there are some instances whereby due to the limited size of the Board, it is not considered economical or practical to implement some Recommendations. The Best Practice Recommendations that have not been complied with are disclosed below.

DISCLOSURE

This governance statement should be read in conjunction with the disclosures included in the Directors' Report.

This statement is published on the company's website (www.buderimginger.com), and is available in hard copy on request to the Company Secretary.

MANAGEMENT AND BOARD OVERSIGHT (Principle 1)

Role of the Board

The board has the ultimate responsibility to shareholders for the profitable and proper conduct of the company's operations. In fulfilling its functions, the board has formally delegated specific authorities to management. These delegations are reviewed periodically. The specific responsibilities of the board include:

- approval of a strategic plan designed to meet stakeholders' needs and manage business risk. 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;
- involvement in developing and approving initiatives and strategies designed to maintain the currency of the strategic plan and ensure the continued growth and success of the entity;
- continual review of the operational and financial performance of the consolidated entity and each operational unit against key performance indicators (both financial and non-financial);
- establishment of management committees to report on occupational health and safety and environment. The board receives and considers reports on the group's performance in the areas of occupational health and safety, food safety and environmental control;
- review and approval of acquisitions and disposals of businesses and assets, and the approval of financing arrangements within defined limits;
- monitoring of the entity's liquidity, credit policies and exposures, and management's actions to ensure they are in line with company policy; and
- disclosure of any real or potential conflict of interest which is to be recorded in the minutes of meetings. Where a conflict of interest arises, directors are to withdraw from discussion and deliberation. Participation is only available in such situations with the consent of other directors.

Role of the Chairman

The Chairman of the board has the responsibility for the conduct of the general meetings of the company, and of the meetings of the directors of the company.

The Chairman also has the role of interfacing with the CEO, and to conduct of their performance appraisal.

The Chairman acts as an interface of the organisation with relevant external stakeholders (such as shareholders, government/funding bodies, local organisations and media when necessary).

The Chairman does not have a casting vote at any meeting.

Directors

Directors are elected by the shareholders for a term of three years, or appointed by the board to fill a casual vacancy until the next Annual General Meeting of the company.

On election, directors receive a comprehensive letter of appointment from the Chairman outlining their rights and responsibilities, remuneration and benefits, expectations of commitment, and access to professional advice, documents and insurance.

A Deed of Indemnity, Insurance and Access is entered into between the company and its subsidiaries, and each director. The deed provides that the company indemnify all directors in accordance with the provisions of the Corporations Act 2001, and with access to the company books and records for a period of 7 years after they cease to be a director of the company. During the financial year, no payment was made by the company under the indemnities.

Directors of the company hold the majority of directorships in all subsidiary companies, except in Buderim Macadamias of Hawaii, LLC dba MacFarms of Hawaii which is a member run limited liability company in which Buderim Ginger America, Inc is the sole member. A further exception is the joint venture entity, Ginger Head Quarters Pty Ltd in which joint venture partners have two director representatives each on the board.

In accordance with the Fiji Corporations Act, which requires at least one resident director, Mr Satish Kumar, the General Manager of the Company's Fiji operations, has been appointed as a director of Frespac Ginger (Fiji) Limited.

Delegation to Management

The Board is responsible for the management of the Group. The Board delegates the responsibility for day-to-day management of the Group to the CEO, who operates under strict limits on operational and capital expenditure and the ability to commit the Group to financial obligations. The CEO in turn delegates these limits to the management team subject to the approval of the Board.

The CEO is appointed by the board. He is accountable for delivery of strategic outcomes and reports to the whole board on the delivery or non-delivery of those outcomes. He also assumes responsibility as the principal spokesperson for the company on operational matters.

The Company Secretary is appointed as the secretary to the board as a whole. He/she relates one-to-one with the chairman who represents the views of the board.

The CEO and the Company Secretary enter into a Deed of Indemnity, Insurance and Access with the company and its subsidiaries on identical terms to the Directors' Deed.

Senior managers are appointed to specific positions within the company with the approval of the board. The CEO and senior managers all receive letters of appointment and have formal position descriptions.

During the financial year, no payment was made by the company under the indemnities.

BOARD STRUCTURE (Principle 2)

Directors

The Board is currently comprised of four non-executive directors. Details of those directors serving at year-end are outlined in the Directors' Report.

The maximum number of directors permitted by the Constitution is seven directors.

Retirement and Re-election of Directors

The Constitution requires that an election of directors must occur in each year and that, at any rate, directors cannot retain office for the longer of 3 years or until the third AGM following their re-election, without submitting themselves for re-election.

Director Independence

ASX Best Practice Recommendation 2.1 states "A majority of the Board should be independent directors". Of the four non-executive directors, two are considered independent.

Mr Steve Morrow, the Chairman, was appointed as a director on 26 February 2010 and Chairman on 29 April 2011. Mr Morrow is considered to be an independent non-executive director as he is not a substantial shareholder nor a major supplier of the company.

Mr Templeton may not be regarded as independent as a director and as a member of the Audit and Compliance Committee by virtue of his substantial shareholding and major ginger supplier status with the company. However, he provides significant industry experience to the board and the company from his own and his family's extensive experience in the cultivation and marketing of this specialised crop. This is of undoubted value in the company's core business and is pivotal to the success of the Australian ginger industry at large. Mr Templeton would be regarded as financially qualified for Audit & Compliance Committee membership purposes.

Mr George Vasili was appointed on 1 July 2011. Mr Vasili has had over 30 years experience in the food industry and is the founder, shareholder and Managing Director of Global Foods Group Pty Ltd, an importer, wholesaler, distributor and manufacturer of food products. Mr Vasili may not be regarded as independent as he is a substantial shareholder. However, his international food industry experience is valuable to all Group businesses.

Ms Margaret Walker was appointed on 22 October, 2012. She is considered to be an independent non-executive director as she is not a substantial shareholder nor a major supplier of the company.

The board is diligent in ensuring that a conflict of interest does not interfere with Directors' obligations towards the company.

Chair

The chair is elected by the directors at the first meeting after each Annual General Meeting.

Director Nomination Committee

The function of a Director Nomination Committee is performed by the whole of the board. The board reviews the company's succession plan, and assesses the necessary and desirable competencies of directors. External advice is sought in sourcing new directors.

The composition of the board is regularly reviewed to ensure that it continues to have the mix of skills and experience necessary for the conduct of the company's activities. Whether filling a vacancy or expanding the board, the procedures applied include the selection of a panel of nominees. In compiling the panel of nominees, the board draws on advice from external consultants and internal industry experience. Potential directors are approached and their interest in joining the board, together with the responsibilities such an appointment entail, are discussed.

Terms and conditions of the appointment, including the level of remuneration, are also communicated to the nominee.

The board may appoint the new director(s) during the year, and that person(s) will then stand for election by shareholders at the next Annual General Meeting. When appointed to the board, all new directors are briefed by the chair and senior management and receive a package of documentation to assist them in familiarising themselves with matters relating to our business, our strategy and current issues.

CORPORATE GOVERNANCE STATEMENT (continued)

ETHICAL AND RESPONSIBLE DECISION MAKING (Principle 3)

Corporate Code of Conduct

The company has developed a Code of Conduct to ensure the entity acts in a lawful, highly-principled and socially responsible manner in all of its business practices. Under this Code of Conduct, directors, executives and staff are expected to:

- have an overriding responsibility to all stakeholders of the business and not to any sectional or personal interests;
- display the highest standards of personal behaviour at all times;
- use every opportunity to promote the interests of the group in the community at large;
- act honestly and with the utmost integrity, and comply with the letter and spirit of any laws, rules and policies of the company and this Code of Conduct;
- receive no benefit from their position other than approved remuneration and conditions of employment, and to use the assets of the company economically and efficiently for business purposes only;
- respect all people with whom they come into contact in their work;
- bring to their work all the skills and experience they possess and diligently apply themselves to their duties;
- participate freely in all discussions and will always be allowed to express their opinions;
- conduct business in the strictest confidence, and avoid any discussion of the information received in their duties unless it is approved for distribution;
- consider binding, all decisions of the board, without public dissent from such decisions; maintain good relations within the group;
- consistently and effectively comply with all established policies and procedures; act within delegated authorities
- uphold the concept of a competitive economic environment, abstaining from price fixing, misleading or false representations regarding our products or those of our competitors.

Directors & Executive Securities Trading Policy

The company has established the Directors and Executive Securities Trading policy to control the trading in the company's securities by directors and senior executives. This policy is included in the company's Corporate Governance policy manual which is issued to Directors and officers on their engagement.

A signed acknowledgement is obtained from each Director and officer that they have read and understood all policies.

Insider Trading

Directors and other officers of Buderim Ginger Limited are subject to restrictions under the Corporations Law relating to dealings in securities.

As required by law and in line with its Insider Trading Policy, buying or selling Buderim Ginger securities is not permitted at any time by any person who possesses price-sensitive information not available to the market in relation to those securities. Closed periods in which Directors and Executives are prohibited from trading in the company's securities are the 2 months immediately preceding the company's half year and full year financial results announcements.

In addition to these restrictions, the board's policy is that directors and officers may only buy or sell Buderim Ginger securities, after notifying the Chairman, in the six weeks immediately following our half year and full year financial results announcements and any General Meeting.

At all other times directors and officers require the prior written consent of the board to buy or sell Buderim Ginger securities, with the board examining each request for a proposed security transaction prior to approval to ensure it is not related to insider trading. Exceptional circumstances whereby the entity's Directors and Executives are permitted to trade during a prohibited period include:

- Off-market transactions within a Director's or Executive's various security holding accounts through which no change in beneficial interest occurs;
- Transactions through a Director's or Executive's estate after death when the restricted person has no control or influence with respect to the trading decision;
- Trading through a fund or other scheme where the assets of the fund or scheme are invested at the discretion of a third party;
- Undertakings to accept, or the acceptance of, a takeover offer;
- Trading under an offer or invitation made to all or most of the security holders, such as a Rights Issue, a Share Purchase Plan, a Dividend Reinvestment Plan, a Dividend Share Issue Plan and an Equal Access Buy-Back where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- A disposal of securities that is the result of a secured lender exercising their rights, subject to the Director or Executive having previously obtained written approval from the Board to enter into an agreement with the lender through which the Director or Executive provides the lender with rights over their interest in the company's securities; and
- Where written board approval has been given to the Director or Executive to sell or otherwise dispose of the company's securities during a prohibited period where the Director or Executive is in severe financial hardship or there are other exceptional circumstances such as pressing financial commitments that cannot be satisfied otherwise than selling the relevant securities of the company. In such cases, the Chairman or the Chief Executive Officer is designated to determine what constitutes an exceptional circumstance and whether or not written approval is to be granted to permit trading in the company's securities during a prohibited period.

Where written approval has been provided to Directors and Executives to trade during prohibited periods, the period is specified in each individual case. Written approvals may be provided in either email or paper format.

The Australian Stock Exchange has granted Buderim Ginger Limited a waiver from Listing Rule 10.11 to the extent necessary to permit the company to issue up to $15,000 worth of securities to each of its directors under the Share Purchase Plan, without obtaining shareholder approval, on condition that directors are offered securities under the plan on the same terms as other security holders.

In order to prevent the unfair use of information, directors and officers are generally prohibited from short-term trading at all times. Short-term trading is a purchase and sale of the same securities within a six month period.

Disclosure of Directors' Security Transactions

Directors must enter into agreements with the company regarding disclosure of directors' securities transactions. Under these agreements, directors are obliged to provide the necessary information to the company, to allow the company to comply with the ASX Listing Rule requiring disclosure of details of directors' interests in securities.

Details of an initial investment and on-going transactions are to include the transaction date, the number and class of securities held before and after the change, the nature of the change, and consideration payable in connection with the change, or if a market consideration is not payable, the value of the securities the subject of the change.

Details of changes in securities not registered in the director's name but in which the director has a relevant interest within the meaning of section 9 of the Corporations Act, must also be provided.

Directors are to provide the required information within three business days after the date of the change.

Directors also agree to provide appropriate information on securities held at the date of ceasing to be a director.

Directors have advised that no securities controlled by them are the subject of margin loans.

Stakeholders Interests

The company recognises that there are many stakeholders in the business in addition to the shareholders. The company endeavours to relate openly, fairly and equitably with all shareholders in terms of their relationship with the company.

Among the stakeholders are:

- staff;
- customers;
- suppliers;
- communities in the countries where we operate;
- local, state and national governments;
- other participants in the food industry.

Stakeholder interests are protected and recognised through the company's policies and procedures and the adoption of a Code of Conduct. The policies cover matters such as accounting and reporting, employment conditions, employee safety and welfare, customer privacy, and legal compliance.

INTEGRITY OF FINANCIAL REPORTING (Principle 4)

Audit & Compliance Committee

The company has established an Audit & Compliance Committee in order to:

- assist the board in discharging its responsibilities relative to financial reporting and regulatory conformance;
- give additional assurance regarding compliance with directors' statutory responsibilities, the quality and reliability of financial information used by the board and financial statements issued by the company;
- oversee the economic entity's risk management strategies, policies and processes that have the potential to impact significantly on earnings performance;
- monitor performance and advice on selection and retention of external auditors.

The primary responsibilities of the Audit & Compliance Committee are to:

- assist the board to exercise due care in reviewing the financial statements and assistance in fulfilling their legal responsibilities;
- oversee and appraise the quality of audits conducted by external auditor;
- perform an independent review of financial information prepared by management for external parties;
- assess the adequacy and effectiveness of the internal controls to ensure the integrity of the company's accounting records and to safeguard its assets;
- monitor compliance with Australian Accounting Standards, Taxation and Corporations Law, Australian Stock Exchange Listings Rules, and Australian Investment and Securities Commission regulations;
- ensure adherence to accepted standards of ethical conduct, laws and regulations (e.g. Industrial Relations, Industry Codes, Trade Practices, Consumer Protection, Occupational Health & Safety, Environmental Regulations);
- monitor corporate risk assessment and the internal controls instituted;
- supervise special investigations when requested by the board.

The committee does not include the Chairman of the board, with the two members comprising non-executive directors. The chair of the committee is an independent director. The members of the committee are financially literate, and the chairman of the committee has financial expertise.

The committee has standing invitations to the following attendees:

- Chairman of the Board,
- Chief Executive (CEO),
- Chief Financial Officer (CFO).

Meetings are held regularly and at times to best manage the audit processes and ensure compliance with statutory time frames. Minutes of all meetings are provided to the full board.

The committee regularly reviews the work and independence of the external auditor and recommends any change, selection and appointment to the main board.

CEO and CFO Certification

In accordance with section 295A of the Corporations Act, the Chief Executive Officer and the Chief Financial Officer have provided a written statement to the Board that:

- Their view provided of the Group's financial report is founded on a sound system of risk management and internal compliance and control which implements financial policies adopted by the Board.
- That the Group's risk management and internal compliance and control system is operating effectively in all material respects.

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute.

This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

In addition to the above certification, the CEO and CFO, provide the board with a comprehensive letter of representation prior to the acceptance of the annual accounts by the board. This letter not only certifies the correctness and integrity of the financial and risk management systems, but also covers compliance with legal and regulatory requirements in relation to trade practices, employment, workplace health and safety, quality assurance and environmental factors.

As part of the process of certifying the annual accounts, the directors and management provide a letter of representation to the external auditors, in similar terms to the letter provided by management to the directors.

TIMELY AND BALANCED DISCLOSURE (Principle 5)

Policies and procedures to comply with continuous disclosure and other statutory requirements have been developed by the company.

Under its Continuous Disclosure Policy, Buderim Ginger Limited is committed to providing shareholders with comprehensive information about the company and its activities, and to fulfilling its obligations to the broader market for continuous disclosure.

Consistent with best practice disclosure and continuous disclosure requirements, all market-sensitive data, periodic financial reports (Appendix 4 - end of year and half-year) and addresses by the Chairman and/or CEO to shareholder meetings are released to the stock exchange via ASX On-Line prior to release to the market via press release and posting on Buderim Ginger's internet site.

Similarly, annual reports and notices of meetings, dividend re-investment and share plan documentation are released through ASX On-Line prior to being distributed to shareholders via the website or through the mail.

Detailed commentary on financial results is included in the Annual Report, and in the Chairman's Address at the Annual General Meeting. This address is circulated to shareholders with the annual dividend payment.

Further commentary on half-yearly results is included in the press release announcing those results, and circulated to shareholders with the interim dividend payment.

As part of its Continuous Disclosure Policy the Company has processes in place to provide balanced response to market rumours or speculation of which it is made aware.

RESPECT FOR SHAREHOLDERS (Principle 6)

Effective Communication

Buderim Ginger Limited is committed to providing shareholders with comprehensive information about the company and its activities, and to fulfilling its obligations to the broader market for continuous disclosure.

Shareholders are now able to receive their shareholder information electronically in preference to mail. Notification via email of company announcements, annual and half year reports and other company information is available by registering for this service through the company's website.

Access to Information

The company publishes a comprehensive Annual Report incorporating financial and other information. This is sent to all shareholders on request and is available to the public, as well as being posted on the company's website. A Half-Yearly Report incorporating abbreviated financial data and market commentary is also made available on the same basis.

The company maintains a comprehensive web site www.buderimginger.com that contains extensive shareholder and stakeholder information in addition to information about the company's products. The past three years' Annual and Half-Yearly Reports and a corporate governance section are contained within the website.

The company's offices maintain supplies of shareholder information for public access; and the Company Secretary's office is responsible for the distribution of material and responding to requests for information from shareholders and the public.

Under the company's Investor Communication Policy the board, and in particular the Chairman, bear particular responsibility for communication with shareholders and members. This occurs formally through the Annual Report and the Annual General Meeting. At other times, senior management and Chairman liaise between the board and key shareholders and analysts.

Any company announcement is published on the company's website at www.buderimginger.com/investor.

Annual General Meeting

The company conducts its Annual General Meetings at its corporate headquarters and factory site at Yandina.

Notice of the meeting is sent to every shareholder and advertised publicly.

The company's auditor attends the Annual General Meeting and is invited to answer relevant questions and make statements to the meeting.

The directors and senior management attend all General Meetings and are available to shareholders and other stakeholders.

The Chairman accepts written questions and pre-submitted questions at a General Meeting and responds appropriately to all questions.

The public and the media are welcome to attend General Meetings as observers.

RISK MANAGEMENT (Principle 7)

Systems

The company has well established systems for the conduct of its business. These extend to the major functions of the company (food processing and tourism operations) and to the administrative systems to support its operations.

Policies

The company has documented policies and procedures for all principal areas of its operations.

Policies are approved by the board and procedures developed by management to give effect to the policies.

Review

The company's policies are reviewed periodically by the board.

The Audit Committee also has responsibility for oversight of risk management in the company.

Internal Audit

The company does not maintain a separate internal audit function. It does have a series of independent checking processes that are approved and supervised by the Audit Committee, and co-ordinated with the external audit function. These processes extend to non-financial risk areas such as food safety.

Insurance

The company maintains a program of insurance where insurable risks are identified. The level of self-insurance and exposure to deductibles in insurance policies is not material.

During the financial year, the company paid premiums in respect of a directors' and officers' liability insurance policy. The policy insures each person who is or has been a director or executive officer against certain liabilities arising in the course of their duties to the company and its controlled entities. The insurance policy prohibits disclosure of the nature of the liabilities or the amount of the premium.

IMPROVING PERFORMANCE THROUGH FAIR & RESPONSIBLE REMUNERATION (Principle 8)

A structured process is currently being established to review and evaluate the performance of the board and board sub committees and to identify areas where improvement can be made. The review process will include assessment of board composition, governance relations and internal processes to ensure continuing corporate governance improvement. The performance and contribution of non-executive directors is to be assessed against pre-determined criteria.

Senior executive performance review is conducted annually, and as a preliminary to annual remuneration review. The CEO conducts senior executive performance reviews and reports on these to the board. The CEO's performance review is conducted by the Chairman of the board and reported to the board. This evaluation is based on specific criteria, including the group's business performance, whether strategic objectives are being achieved and the development of management and personnel.

While there is no formal program of director education, directors and senior executives attend industry and other related seminars and conferences under relevant professional development programs for which the company has made a budget provision.

Directors are entitled to seek independent professional advice in the performance of their duties. The company will pay for this advice on the approval of the chairman.

The board has appointed a Company Secretary, who also fulfils the role of Chief Financial Officer. The Company Secretary reports directly to the board on all secretarial matters. The Company Secretary's employment may not be terminated without the concurrence of the board.

REMUNERATION

Remuneration Committee

The company has established a Remuneration Committee to ensure that the remuneration policies and practices of the company are consistent with its strategic goals and human-resource objectives.

The committee comprises the Chairman and one non-executive director. It is chaired by the Chairman of the board.

The role of the Remuneration Committee is to:

- recommend aggregate director's remuneration and entitlements to the shareholders for approval;
- establish and approve the remuneration and entitlements of the Chief Executive;
- establish remuneration policies and guidelines for senior executives and staff.

Independent external advice is sought on the quantum of remuneration and entitlements for directors and senior staff to enable alignment with market conditions in similar businesses. A formal review of remuneration is conducted annually.

Directors and Senior Management

Directors receive director's fees and associated minimum statutory superannuation payments. Fees payable to individual directors are established by the directors within the aggregate approved by the shareholders.

Directors are not entitled to any retirement allowances nor any bonuses or share options.

Details of the nature and amount of directors' remuneration are outlined in the Directors' Report.

Senior management (including the CEO) are engaged on contracts with no fixed term, with remuneration comprising three possible elements:

- fixed component - comprising salary, superannuation, motor vehicle and other standard industry benefits;
- performance component - comprising cash bonus for performance above pre-agreed objective hurdles. The maximum bonus payable is 30% of the fixed component.

The company does not issue options over shares as part of any remuneration arrangements.

Details of the nature and amount of senior executives' remuneration are outlined in the Directors' Report.

DIVERSITY AT BUDERIM GINGER LIMITED

Buderim Ginger Limited considers a gender-balanced diverse and inclusive workforce, where employee differences in areas of gender, age, culture, disability and lifestyle choice are valued, and in which everyone has the opportunity to fully participate and is valued for their individual inputs, a strategic asset for its business. The Group's Diversity Policy encapsulates and complements the principles incorporated in its many human resource management policies, such as Affirmative Action, Equal Opportunity and Anti-Discrimination, Workplace Bullying, Sexual Harassment, and Rehabilitation policy.

Valuing and managing diversity means that Buderim Ginger:

- Facilitates equal employment opportunities based on relative ability, performance or potential;
- Builds and maintains a safe work environment by taking action against inappropriate workplace and business behaviour;
- Develops flexible work practices to meet the differing needs of our employees at different stages of their life cycle;
- Attracts and retains a skilled and diverse workforce;
- Enhances customer service and market reputation through a workforce that respects and reflects the diversity of our customers and partners;
- Improves productivity and teamwork;
- Meets the relevant requirements of legislation and human resource policies; and
- Creates an inclusive workplace culture.

Gender Balance at Buderim Ginger

Buderim Ginger's Board currently comprises four non-executive Directors. Although it is not the Board's current intention to make any new Board appointments to increase the size of the Board in the short term, other than as part of the succession planning process, skill gaps are regularly assessed to determine if additional experience is required at Board level.

Directors are elected by shareholders for a term of three years, or appointed by the Board to fill a casual vacancy until the next Annual General Meeting of the company. Directors have the opportunity to retire at the end of their three year term, or offer themselves for re-election.

There is currently one woman representation on the Board. The opportunity to appoint a female Director is considered whenever Board appointments are made. It is the Board's objective to maintain 25% female representation on the Board. Irrespective appointments are based on merit and a matching of skills required at Board level to those of applicants.

It is the Board's objective to maintain at least 25% women representation throughout the Group. With respect to the total number of women across the Group's businesses, this percentage currently approximates 56%, while management level and senior executive representation is 40% and 25% respectively.

Progression and Development Practices

Buderim Ginger aims to achieve gender balance in its training and development programs throughout the Group. These programs are aimed at ensuring every individual has access to learning to assist in the performance of their roles and to provide growth potential within the group when succession opportunities arise.

Flexible Arrangements and Parental Leave

Buderim Ginger offers flexible work arrangements and support in special circumstances to help balance life priorities with work and to manage careers. These include flexible start and finish times, part-time work arrangements, working from home, job sharing, telecommuting, transitional arrangements for new parents returning to work after parental leave, and unpaid leave as required.

Further details of the Group's Diversity Policy can be accessed at buderimginger.com.

CONTENTS TO THE FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013	NOTES	CONSOLIDATED	
		30/6/13	31/12/12
		$'000	$'000
CURRENT ASSETS			
Cash and cash equivalents	10	**1,443**	1,230
Trade and other receivables	11	**9,678**	10,012
Inventories	12	**28,682**	22,194
Current tax assets		**684**	187
Other current assets	13	**1,008**	846
Derivatives		**44**	28
TOTAL CURRENT ASSETS		**41,539**	34,497
NON-CURRENT ASSETS			
Investment accounted for using the equity method	15	**1,209**	1,186
Property, plant and equipment	16	**23,203**	25,727
Deferred tax assets	7	**5,320**	3,455
Intangible assets	17	**2,029**	4,033
TOTAL NON-CURRENT ASSETS		**31,761**	34,401
TOTAL ASSETS		**73,300**	68,898
CURRENT LIABILITIES			
Trade and other payables	18	**17,044**	12,501
Interest-bearing liabilities	19	**21,398**	8,771
Short-term provisions	20	**2,002**	852
Current tax liabilities		**5**	-
Derivatives		**25**	36
TOTAL CURRENT LIABILITIES		**40,474**	22,160
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	19	**226**	8,632
Deferred tax liabilities	7	**2,786**	3,578
Long-term provisions	20	**44**	45
TOTAL NON-CURRENT LIABILITIES		**3,056**	12,255
TOTAL LIABILITIES		**43,530**	34,415
NET ASSETS		**29,770**	34,483
EQUITY			
Contributed equity	21	**28,044**	28,044
Reserves		**4,038**	3,531
Retained earnings/accumulated losses		**(2,312)**	2,908
TOTAL EQUITY		**29,770**	34,483

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2013	NOTES	CONSOLIDATED	
		30/6/13 6 Months	31/12/12 12 Months
		$'000	$'000
INCOME			
Sale of goods		**33,665**	76,102
Cost of sales		**(26,537)**	(56,220)
Gross profit		**7,128**	19,882
Rental revenue		**112**	229
Other income	6 (a)	**1,179**	826
Finance revenue		**21**	13
Total income		**8,440**	20,950
Share of profit of jointly controlled entity		**23**	53
Selling and distribution expenses		**(3,929)**	(7,858)
Marketing expenses		**(161)**	(288)
Tourism expenses		**(1,192)**	(2,195)
Administration expenses		**(3,399)**	(6,468)
Impairment expenses	6 (b)	**(4,389)**	-
Other expenses	6 (c)	**(1,312)**	-
PROFIT/(LOSS) BEFORE TAX AND FINANCE COSTS		**(5,919)**	4,194
Finance costs	6 (d)	**(511)**	(1,186)
PROFIT/(LOSS) BEFORE INCOME TAX		**(6,430)**	3,008
Income tax (expense)/benefit	7	**1,829**	(1,168)
NET PROFIT/(LOSS) FOR THE PERIOD		**(4,601)**	1,840
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of land		**-**	(2,411)
Income tax on other comprehensive income items		**-**	780
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		**480**	299
Changes in fair value of cash flow hedges		**27**	55
Total other comprehensive income/(loss) net of tax		**507**	(1,277)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**(4,094)**	563
Total net profit/(loss) is attributable to:			
Equity holders of Buderim Ginger Limited		**(4,601)**	1,840
		(4,601)	1,840
Total comprehensive income is attributed to:			
Equity holders of Buderim Ginger Limited		**(4,094)**	563
		(4,094)	563
Basic earnings per share (cents per share)	8	**(22.3)**	8.9
Diluted earnings per share (cents per share)	8	**(22.3)**	8.9

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

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2013	NOTES	CONSOLIDATED	
		30/6/13 6 Months	31/12/12 12 Months
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**34,354**	78,923
Payments to suppliers and employees (inclusive of GST)	*	**(35,825)**	(75,789)
Other receipts		**1,313**	1,108
Interest received		**21**	13
Interest and other finance costs paid		**(511)**	(1,186)
Income tax paid		**(1,164)**	(552)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	10	**(1,812)**	2,517
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(1,090)**	(2,084)
Trademark registration		**-**	(3)
Dividend received from joint venture		**-**	80
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(1,090)**	(2,007)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from borrowings		**4,721**	1,730
Repayments of borrowings		**(1,124)**	(4,180)
Payment of equity dividend (net of dividend reinvestment)	**	**(619)**	(413)
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		**2,978**	(2,863)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**76**	(2,353)
Cash and cash equivalents at beginning of period		**942**	3,295
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	**1,018**	942

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

*The 6 months result was affected by seasonality of the group's businesses whereby the majority of turnover and profitability are achieved in the July to December period. The excess of payments to suppliers over receipts from customers during this period reflects high trading losses in the Baking segment due to volume under-recoveries.

**During this 6 month period, a dividend of $619k was paid for the 12 month period ended 31 December 2012.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2013						
CONSOLIDATED	**Contributed Equity**	**Reserves**			**Retained Earnings/ Accumulated Losses**	**Total Equity**
		Asset Revaluation	**Foreign Currency Translation**	**Cash Flow Hedges**		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 1 January 2012	28,044	6,138	(1,267)	(63)	1,481	**34,333**
Total comprehensive income/(loss) for the period						
Net profit/(loss) for period	-	-	-	-	1,840	**1,840**
Other comprehensive income/(loss)						
Exchange difference on translation of foreign operations	-	-	299	-	-	**299**
Change in fair value of cash flow hedges	-	-	-	55	-	**55**
Change in fair value of land	-	(2,411)	-	-	-	**(2,411)**
Income tax on other comprehensive income items	-	780	-	-	-	**780**
Total comprehensive income/(loss) for the period	-	(1,631)	299	55	1,840	**563**
Transactions with owners in their capacity as owners						
Equity dividend	-	-	-	-	(413)	**(413)**
As at 31 December 2012	28,044	4,507	(968)	(8)	2,908	**34,483**
Total comprehensive income/(loss) for the period						
Net profit for period	-	-	-	-	(4,601)	**(4,601)**
Other comprehensive income/(loss)						
Exchange difference on translation of foreign operations	-	-	480	-	-	**480**
Change in fair value of cash flow hedges	-	-	-	27	-	**27**
Total comprehensive income/(loss) for the period	-	-	480	27	(4,601)	**(4,094)**
Transactions with owners in their capacity as owners						
Equity dividend	-	-	-	-	(619)	**(619)**
As at 30 June 2013	28,044	4,507	(488)	19	(2,312)	**29,770**

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

1. CORPORATE INFORMATION

The financial report of Buderim Ginger Limited for the period ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 30 September 2013. Buderim Ginger Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in note 5. The financial report covers the consolidated group of Buderim Ginger Limited and its controlled entities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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(a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements have also been prepared on a historical cost basis, except land and derivative financial instruments that have been measured at fair value. The financial statements have been prepared adopting the same accounting policies as those adopted in the annual financial statements for the year ended 31 December 2012, except for the adoption of new and revised Australian Accounting Standards and Interpretations.

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

Any significant impact on the accounting policies of the Group from the adoption of these Accounting Standards and AASB Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The classification of bill finance facilities provided by Rabobank Australia Limited reverted to current as at 30 June 2013 due to the breach of two banking covenant ratios.

Rabobank have indicated that the bank's covenant suite will need amending in light of the change in balance date from a 31 December year-end to a 30 June year-end and the variation in financial position between these dates. The Group continues to operate under facilities established with Rabobank in May 2013 and have prepared the consolidated financial statements on a going-concern basis. Based on discussion with Rabobank, the directors believe that the group will continue to have the support of Rabobank and the banking facilities will be amended to take into account the change in year end. Should Rabobank not continue to support the group, the group may not be able to continue as a going concern which indicates the existence of a material uncertainty that may cast doubt about the group's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classifications of liabilities that might be necessary should the group not continue as a going concern.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the class order applies.

On 27 May 2013, Directors advised the market of a change in the financial year for reporting purposes from 31 December to 30 June each year, with a transitional period of six months to 30 June 2013.

This decision was taken to synchronise the Company with common Australian practice and with other companies in the food industry.

The consolidated financial statements comprise the financial statements of Buderim Ginger Limited and its subsidiaries as at 30 June 2013 for the transitional year which commenced on 1 January 2013 and ended 30 June 2013. The comparative period is for the year ended 31 December 2012 (the 'Group'). Thus, amounts presented in the financial statements are not entirely comparable.

(b) Statement of compliance

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

(c) Basis of consolidation

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

Changes in ownership interests

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

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

(d) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

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

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(e) Segment reporting

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

(f) Investment in jointly controlled entities

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

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

The joint venture operates the boat ride "Overboard" and the "Ginger Train" at the tourism facility, *The Ginger Factory* at Yandina.

Where necessary, the entire carrying amount of the investment is tested for impairment. Any impairment loss recognised forms part of the carrying amount of the investment.

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

(g) Foreign currency translation

Both the functional and presentation currency of Buderim Ginger Limited and its Australian subsidiaries is Australian dollars (AUD) or ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the overseas subsidiary, Buderim Ginger (UK) Limited, is pound sterling (GBP). The functional currency of the overseas subsidiaries, Buderim Ginger America, Inc, and Buderim Macadamias of Hawaii, LLC is US dollars (USD). The functional currency of the overseas subsidiary, Frespac Ginger (Fiji) Limited, is Fijian dollars (FJD).

Transactions in foreign currencies are initially recorded in the functional currency of the Group member at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Buderim Ginger Limited at the rate of exchange ruling at the reporting date and the income and expenses are translated at the weighted average exchange rates for the period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Foreign currency translation (continued)

The exchange differences arising on the translation are recognised in other comprehensive income.

On disposal of a foreign entity, the cumulative amount recognised in equity relating to that particular foreign operation is reclassified from equity to profit or loss.

(h) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(i) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made where there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(j) 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 materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

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

(k) Property, plant and equipment

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

Major depreciation periods are:

Tourism buildings	**15 years**
Freehold buildings	**50 years**
Plant and equipment	**3 – 10 years**

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate at each financial year end. The useful lives of assets and major depreciation periods used in 2013 are consistent with those used in the prior year.

Following initial recognition at cost, land is carried at fair value.

Fair value is determined by what the asset can be exchanged for in an orderly transaction between market participants to sell the asset at the measurement date under current market conditions.

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

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

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

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

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

(l) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired (note 2(n)).

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(m) Intangible assets

Acquired both separately and from a business combination

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Intangible assets (continued)

The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable.

If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis

Research and developments costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet available for use, or more frequently when an indicator of impairment arises during the reporting period indicating that the carrying value may not be recoverable.

A summary of the policies applied to the Group's intangible assets is as follows:

	Goodwill	Trademarks
Useful lives	Indefinite	Indefinite
Method used	Not amortised	Not amortised
Internally generated / Acquired	Acquired	Acquired
Impairment test / Recoverable amount testing	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists

(n) Impairment of assets

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

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired assets unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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

(p) Trade and other payables

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

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

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

(r) Employee benefits

(i) Wages, salaries, annual leave and sick leave

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

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(s) Share-based payment transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance vesting conditions, other than conditions linked to the price of the shares of Buderim Ginger Limited ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the vesting period.

(t) Leases

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

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

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

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

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

(u) Revenue recognition

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of shipment of the goods to the customer.

Interest

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

Rental income

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

(v) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments. There were no grant funds received during the financial period ended 30 June 2013. However, grant funds were brought to account in accordance with reporting requirements for the recognition of deferred income.

(w) Income tax

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Income tax (continued)

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

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

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

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

(x) Other taxes

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

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

b. receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

(y) Derecognition of financial instruments

The derecognition of a financial assets takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the contractual rights to the cash flows expire, the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party and the relevant derecognition criteria of AASB 139 are satisfied. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

(z) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. Derivatives are carried as assets when their fair value is positive and liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to net profit or loss for the year.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured to fair value and gains and losses from both are taken to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Derivative financial instruments and hedging (continued)

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and accumulated in reserves in equity, while the ineffective portion is recognised in profit or loss. Amounts accumulated in equity are reclassified to profit or loss when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts accumulated in equity are reclassified to the initial carrying amount of the non-financial asset or liability. If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are reclassified to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is reclassified to profit or loss.

(aa) Impairment of financial assets

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

Financial assets carried at amortised cost

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

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

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

(ab) Contributed equity

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

(ac) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element. As there are no dilutive potential ordinary shares, diluted earnings per share is the same as basic earnings per share.

(ad) Accounting standards issued not effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

AASB 9 Financial Instruments (effective from 1 January 2015)

The AASB aims to replace AASB 139 *Financial Instruments: Recognition and Measurement* in its entirety. The replacement standard (AASB 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2015. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

General objectives, policies and processes

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

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

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group generally uses derivative financial instruments such as foreign exchange contracts and interest rate swap contracts to hedge these risks. The effectiveness of the processes put in place and the appropriateness of the objectives and policies are discussed regularly at Board level. The Group's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

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

The Group's principal financial instruments, other than derivatives, comprise bank loans, overdraft, bills of exchange, payables, cash and short-term deposits and receivables.

The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group also enters into derivative transactions, principally forward currency contracts and interest rate swaps. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

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

The Group also monitors the market price risk arising from all financial instruments. The magnitude of this risk that has arisen over the period is discussed in note 22.

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

Market risk

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

(a) Interest rate risk

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

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

To manage this risk in a cost-effective manner, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount.

These swaps are designated to hedge underlying debt obligations.

As at 30 June 2013, there were no Group borrowings at a fixed rate of interest (2012: Nil).

Interest rate risk sensitivity is disclosed in note 22.

(b) Foreign currency risk

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

The Group seeks to mitigate the effect of its structural currency exposure by borrowing a portion of its facility in overseas currency loans. The Group has designated entry and exit points for converting between AUD and other currencies, in order to maximize the benefit of the hedging philosophy. In addition, maximum levels of foreign currency borrowings have been restricted to the lowest historical monthly net asset level, denominated in a particular overseas currency.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Approximately 7% (2012: 6%) of the Group's sales are denominated in currencies other than the functional currency of the operating unit making the sale, whilst almost 82% (2012: 82%) of costs are denominated in the unit's functional currency.

The Group requires all its operating units to use forward currency contracts to eliminate the currency exposures on any individual transactions in excess of $15,000 where the opportunity to utilise natural hedges is not available. Contracts are not to exceed $100,000 in value, nor a maximum of 12 month duration unless approved on an individual case basis.

The forward currency contracts must be in the same currency as the hedged item.

It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. At 30 June 2013, the Group had hedged 100% of its foreign currency sales for which firm commitments existed at the end of the reporting period, extending to 29 September 2013.

Further information relating to currency risk is disclosed in Note 22.

(c) Commodity price risk

The Group is exposed to commodity price risk in the ginger, baking and macadamia segments. Processes are in place to monitor the price movements associated with commodities such as ginger, macadamias and other ingredients such as meat, sugar and flour. Where appropriate forward contracts are established to minimise exposure to price risks for these commodities.

Credit risk

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

The objective of the entity is to minimise risk of loss from credit risk exposure.

The entity has established a number of policies and processes to manage credit risk from receivables and derivatives.

The Group trades only with recognised, credit worthy third parties. Collateral (in the form of a guarantee) is normally obtained from customers.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the objective that the Group's exposure to bad debts is minimised.

Credit risk from receivables is measured through the use of credit agency reports on worthiness, trading history and days sales outstanding ratios. Credit risk from derivatives is measured through monitoring of foreign exchange and interest rate movements.

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

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

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

- Continuously monitoring actual and daily cashflows of all Group entities
- Continuously monitoring longer-term forecast cashflow requirements of the Group
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows
- Maintaining adequate borrowing facilities such as unused credit or overdraft facilities (refer note 19)
- Monitoring measures of borrowing such as EBIT/Interest, EBIT/Sales, Gearing and Debt to Equity ratios
- Monitoring liquidity ratios such as working capital
- Managing the timing of outflows designated for reduction for liabilities in accordance with usual industry practice.

Liquidity risk is measured using liquidity ratios such as working capital. However, in this particular reporting period, the liquidity ratio has been distorted through a temporary change in re-classification of longer-term debt to current.

Despite the establishment of revised banking facilities in 2012 and again in 2013, the re-classification to current of all amounts owed to Rabobank Australia Limited is a requirement under AASB 101 if an entity breaches an undertaking under a long-term agreement on or before the reporting date. As at 30 June 2013 the company was in breach of two of its covenants.

Summary of quantitative data	2013 $'000	2012 $'000
Current assets	$41,539	$34,497
Current liabilities	$40,474	$22,160
Surplus / (deficit)	$1,065	$12,337

Maturity analysis

Financial liabilities have differing maturity profiles depending on contractual term and in the case of borrowings, different repayment amounts and frequency. The periods in which the principal and interest (where applicable) of recognised and unrecognised financial liability balances will be paid based on the remaining period to repayment date assuming contractual repayments are maintained, may vary from carrying amounts due to future interest to be incurred on amortising liability amounts. The bank overdraft and working capital bill facilities may be drawn down at any time but may be terminated by the bank without notice.

Maturity analysis - Group - 2013

FINANCIAL LIABILITIES	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	< 6 MTHS	6- 12 MTHS	1-3 YEARS	> 3 YEARS
	$'000	$'000	$'000	$'000	$'000	$'000
NON-DERIVATIVES						
Bank loans and bills	21,624	22,553	11,661	10,642	250	-
Trade and other payables	17,044	17,044	17,044	-	-	-
TOTAL NON-DERIVATIVES	38,668	39,597	28,705	10,642	250	-

Maturity analysis - Group - 2012

FINANCIAL LIABILITIES	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	< 6 MTHS	6- 12 MTHS	1-3 YEARS	> 3 YEARS
	$'000	$'000	$'000	$'000	$'000	$'000
NON-DERIVATIVES						
Bank loans and bills	17,403	20,330	9,169	500	10,661	-
Trade and other payables	12,501	12,501	12,501	-	-	-
TOTAL NON-DERIVATIVES	29,904	32,831	21,670	500	10,661	-

Refer to note 19 Interest-Bearing Liabilities for further details.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group has committed borrowing facilities and other lines of credit that it can access to meet liquidity needs. Due to the breach of the banking covenants detailed in note 2(a), the banking facilities are available to be called by the bank at their option.

Hierarchy

The Group has no listed equity securities, material financial derivatives or financial instruments recognised at fair value.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

(i) Significant accounting judgments

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences based on future budgeted performance.

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

(ii) Significant accounting estimates and assumptions

Impairment of goodwill and intangibles with indefinite useful lives

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

During the current reporting period, goodwill in the Baking segment was impairment based on budgeted performance for the financial period ending 30 June 2014 which included the assumption of a cessation of the Baking business in the six month period ending 31 December 2013.

The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 24.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

During the current reporting period, fixed assets in the Baking segment were impaired based on a budget for the financial period ending 30 June 2014 which assumed the cessation of the baking business in the six month period ending 31 December 2013. Assets were impaired to the expected realisable value on sale of the Baking business, less the cost to sell. Any difference between the eventual realised value of these assets on sale, and the written down value determined through the impairment will be brought to account on the profit and loss statement at the time of sale. The sales price achieved was not significantly different to the fair value recorded at balance date. As at 30 June 2013, the Directors believed that the sale of the Baking division was not highly probable and as such, the Baking division was not recorded as held for sale.

Provision for onerous contracts

A provision for onerous contracts has been included in the financial statements for the reporting period ended 30 June 2013 to allow for unavoidable costs of meeting financial obligations under baking contracts which exceed the economic benefits expected to be received under them. As there are no opportunities to redeploy assets subject to these contracts, and therefore no possibility to avoid the financial obligations associated with these contracts, the provision of onerous contracts has been based on the net present value of contractual obligations over the contract terms. The calculation of this provision required assumptions relating to contracts not released on sale of the Baking business and their associated cost estimates. There is the likelihood that amounts included in the provision will change as they are subject to negotiations with suppliers.

Provision for make good

A provision has been made for anticipated costs for future restoration of leased premises on which a new lease was executed during the period. The provision includes future estimated costs associated with the Baking segment premises within the next 12 months.

The calculation of this provision required assumptions such as the application of closure dates and cost estimates and is based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting the asset and the provision.

5. SEGMENT INFORMATION

Description of segments

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

The reportable segments for the period ended 30 June 2013 were as follows:

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

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

Macadamias - Hawaii - production and processing in the USA of macadamia products and marketing to wholesale and retail customers throughout North America;

Baking - manufacture of a variety of frozen bakery products and marketing to both food service and retail customers throughout Australia; and

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

Other

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

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

Segment accounting policies are the same as the Group's policies described in note 2. During the financial period, there were no changes in segment accounting policies that had a material effect on the segment information.

5. SEGMENT INFORMATION (continued)

Reportable segments

Segment information provided to the Board and executive management committee for the 6 month period ended 30 June 2013 and the 12 month period ended 31 December 2012 is as follows:

REPORTABLE SEGMENTS	Ginger		Baking		Tourism		Macadamias Australia		Macadamias Hawaii		Total	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Income												
Sales of goods to external customers	**11,981**	28,157	**4,215**	9,660	**1,745**	3,648	**8,009**	20,168	**7,715**	14,469	**33,665**	76,102
Sales of goods to internal customers	**2,302**	493	**-**	-	**-**	-	**-**	11	**1,173**	997	**3,475**	1,501
Other revenue / income	**406**	241	**64**	21	**112**	229	**57**	61	**673**	516	**1,312**	1,068
Total segment revenue	**14,689**	28,891	**4,279**	9,681	**1,857**	3,877	**8,066**	20,240	**9,561**	15,982	**38,452**	78,671
Consolidated entity adjustments	**(2,302)**	(493)	**-**	-	**-**	-	**-**	(11)	**(1,173)**	(997)	**(3,475)**	(1,501)
Total Income											**34,977**	77,170
Results												
Segment result	**(110)**	1,675	**(6,154)**	(1,782)	**(132)**	216	**(724)**	1,124	**1,439**	3,945	**(5,681)**	5,178
Share of profit/(loss) of jointly controlled entities'	**-**	-	**-**	-	**23**	53	**-**	-	**-**	-	**23**	53
Corporate overhead expenses	**(261)**	(898)	**(110)**	(289)	**(40)**	(103)	**(178)**	(569)	**(183)**	(364)	**(772)**	(2,223)
Contribution to group profit/(loss)	**(371)**	777	**(6,264)**	(2,071)	**(149)**	166	**(902)**	555	**1,256**	3,581	**(6,430)**	3,008
Finance costs	**266**	673	**138**	170	**20**	47	**-**	2	**87**	294	**511**	1,186
Finance revenue	**(15)**	(13)	**-**	-	**-**	-	**(6)**	-	**-**	-	**(21)**	(13)
Depreciation & amortisation	**545**	1,116	**301**	614	**107**	202	**159**	332	**226**	413	**1,338**	2,677
EBITDA	**425**	2,553	**(5,825)**	(1,287)	**(22)**	415	**(749)**	889	**1,569**	4,288	**(4,602)**	6,858
Profit/(loss) before income tax											**(6,430)**	3,008
Income tax (expense)/benefit	**353**	203	**1,669**	532	**45**	(50)	**216**	(338)	**(454)**	(1,515)	**1,829**	(1,168)
Net profit/(loss) for the period											**(4,601)**	1,840
Inventory write-downs	**116**	212	**-**	15	**-**	-	**149**	-	**228**	146	**493**	373

5. SEGMENT INFORMATION (continued)

Reportable segments	Ginger		Baking		Tourism		Macadamias Australia		Macadamias Hawaii		Total	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000
Material non-cash items												
Impairment expense	**-**	-	**4,389**	-	**-**	-	**-**	-	**-**	-	**4,389**	-
Provision for onerous contracts	**-**	-	**532**	-	**-**	-	**-**	-	**-**	-	**532**	-
Loss on disposal of plant and equipment	**-**	-	**-**	-	**107**	-	**198**	-	**475**	-	**780**	-
Total segment revenue	**-**	-	**4,921**	-	**107**	-	**198**	-	**475**	-	**5,701**	-

Geographic location	Australia		Fiji		USA		Total	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000
Sales of goods to external customers	**21,072**	56,790	**2,595**	2,770	**9,998**	16,155	**33,665**	75,715
Sales of goods to internal customers	**904**	2,451	**1,398**	2,774	**1,173**	1,015	**3,475**	6,240
Other revenue / income	**578**	843	**18**	78	**716**	534	**1,312**	1,455
Total segment revenue	**22,554**	60,084	**4,011**	5,622	**11,887**	17,704	**38,452**	83,410
Consolidated entity adjustments							**(3,475)**	(6,240)
Total Income							**34,977**	77,170
Non-Current Assets (excluding deferred tax)	**23,109**	24,385	**1,225**	1,024	**2,107**	5,537	**26,441**	30,946

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

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

During the period ended 30 June 2013, revenues of $3,861,000 (2012: $9,306,000) were derived from sales to Woolworths through the ginger, baking and Australian macadamia segment. In total, the 2013 revenue recorded through sales to Woolworths amounted to more than 10% of the Group's revenues from external customers. Similarly revenues of $3,818,000 (2012: $8,319,000) were derived from sales to Coles through the ginger and Australian macadamia segment. In total the 2013 revenue recorded through sales to Coles amounted to more than 10% of the Group's revenue from external customers.

6. INCOME AND EXPENSES

	CONSOLIDATED	
	30/6/13 6 months $'000	31/12/12 months $'000
(a) Other income		
Crop Insurance	**476**	510
Foreign Exchange gains	**261**	50
Sundry income	**417**	168
Government grants	**25**	98
Total other income	**1,179**	826
(b) Impairment expenses		
Goodwill	**2,016**	-
Plant and equipment	**2,373**	-
Total impairment expenses	**4,389**	-
(c) Other expenses		
Provision for onerous contracts	**532**	-
Loss on disposal of plant and equipment	**780**	-
Total other expenses	**1,312**	-
(d) Finance costs		
Bill facility	**465**	992
Bank loans and overdraft	**46**	194
Total finance costs	**511**	1,186
(e) Depreciation and amortisation		
Depreciation of non-current assets		
Plant and equipment	**1,152**	2,328
Buildings	**186**	349
	1,338	2,677
Total depreciation and amortisation	**1,338**	2,677
(f) Operating lease payments		
Minimum lease payments on operating leases	**457**	666
(g) Employee benefits expense		
Wages and salaries	**7,554**	15,315
Workers compensation costs	**276**	505
Superannuation costs – defined contribution	**459**	822
Cost of redundancies and terminations	**4**	20
	8,293	16,662
(h) Foreign currency		
Net foreign currency losses/(gains) realised	**99**	52
Net foreign currency losses/(gains) unrealised	**(360)**	113
	(261)	165
(i) Inventory write-downs		
Finished goods	**493**	373

7. INCOME TAX

	CONSOLIDATED	
	30/6/13 6 months $'000	31/12/12 12 months $'000
Major components of income tax expense/(benefit) for the periods ended 30 June 2013 and 31 December 2012 are:		
Statement of Comprehensive Income		
Current income tax		
Current income tax expense/(benefit)	**802**	1,146
Adjustments in respect of current income tax of previous years	**27**	-
Deferred income tax		
Relating to origination and reversal of temporary differences	**(2,658)**	22
	(1,829)	1,168

A reconciliation of income tax expense/(benefit) to accounting profit/(loss) before income tax at the statutory income tax rate for the periods ended 30 June 2013 and 31 December 2012 is as follows:

Accounting profit/(loss) before tax and non-controlling interest	**(6,430)**	3,008
At the statutory income tax rate of 30% (2012: 30%)	**(1,929)**	902
Adjustments in respect on current income tax of previous years	**27**	-
Research and development deductions	**(39)**	(39)
Depreciation of buildings	**24**	62
Tax offset for franked dividends	**-**	-
Tax adjustment due to tax in foreign jurisdictions	**34**	404
Non assessable income from foreign operations	**(66)**	(156)
Other	**120**	(5)
	(1,829)	1,168

Deferred tax benefits have accumulated in recognition of losses incurred in both the Ginger and the Macadamia segments in the current and preceding period due to either legacy or environmental factors. Utilisation of deferred tax assets is anticipated through future taxable profits anticipated in both segments over the next few years as a result of improved climatic conditions and the application of revised supply strategies.

At 30 June 2013, there is no recognised or unrecognised deferred income tax liability (2012: $nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or joint ventures, as the Group has no liability for additional taxation should such amounts be remitted.

Tax on other comprehensive income		
Income tax on other comprehensive income items	**-**	780
Income tax on exchange difference on translation of foreign operations	**-**	-
Income tax on changes in fair value of cash flow hedges	**-**	-
	-	780

Tax consolidation

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

7. INCOME TAX (continued)

Movement in deferred tax for the period ended 30 June 2013	CONSOLIDATED $'000				
	REVALUATION OF LAND	ACCELERATED DEPRECIATION	EMPLOYMENT BENEFITS	TAX LOSSES TO OFFSET/ OTHER	CONSOLIDATED TOTAL
Deferred tax liabilities					
Opening balance	(2,132)	(480)	-	(966)	(3,578)
Recognition in equity	-	-	-	-	-
Recognition in profit	-	427	-	1,219	792
CLOSING BALANCE	(2,132)	(907)	-	253	(2,786)
Deferred tax assets					
Opening balance	-	-	(543)	3,998	3,455
Recognition in equity	-	-	-	-	-
Recognition in profit	-	-	24	1,841	1,865
CLOSING BALANCE	-	-	(519)	5,839	5,320

Movement in deferred tax for the year ended 31 December 2012	CONSOLIDATED $'000				
	REVALUATION OF LAND	ACCELERATED DEPRECIATION	EMPLOYMENT BENEFITS	TAX LOSSES TO OFFSET/ OTHER	CONSOLIDATED TOTAL
Deferred tax liabilities					
Opening balance	(2,912)	(861)	-	(139)	(3,912)
Recognition in equity	-	-	-	-	-
Recognition in profit	780	381	-	(827)	334
CLOSING BALANCE	(2,132)	(480)	-	966	(3,578)
Deferred tax assets					
Opening balance	-	-	(503)	4,245	3,742
Recognition in equity	-	-	-	-	-
Recognition in profit	-	-	(40)	(247)	(287)
CLOSING BALANCE	-	-	(543)	3,998	3,455

8. EARNINGS PER SHARE	CONSOLIDATED	
	30/6/13	31/12/12
Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. As Buderim Ginger Limited does not have preference shares or other dilutive potential ordinary shares, the diluted earnings per share is the same as the basic earnings per share.		
The following reflects the income and share data used in the basic earnings per share computations:		
Net profit after tax attributable to ordinary shareholders of parent ($'000)	**(4,601)**	1,840
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share.	**20,648,694**	20,648,694
Basic earnings per share (cents per share)	**(22.3)**	8.9

There are no issued preference shares and therefore no adjustment to profit for the cost of equity. There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

9. DIVIDENDS PAID OR PROPOSED

	CONSOLIDATED	
	30/6/13 6 months $'000	31/12/12 12 months $'000
Declared and paid during the period:		
Dividends on ordinary shares of 3 cents (2012: 2 cents) per ordinary share.	**619**	413
Dividend proposed subsequent to period end:		
Dividends on ordinary shares (2012: 3 cents per ordinary share).	**-**	619
Franking credit balance		
The amount of franking credits available for future reporting periods are:		
- franking account balance as at the end of the financial period at 30% (2012: 30%)	**-**	-
- franking credits that will arise from the refund of income tax paid as at the end of the financial period	**-**	-
- franking debits that will arise from the payment of dividends proposed prior to period end.	**-**	-
	-	-

10. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	30/6/13 6 months $'000	31/12/12 12 months $'000
Reconciliation of cash and cash equivalents	**-**	-
Cash balance comprises:		
- cash at bank and on hand	**1,443**	1,230
- overdraft	**(425)**	(288)
Closing cash balance	**1,018**	942

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

Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. There was an amount of $14,286 in short-term deposits as at 30 June 2013 (2012: $1,052).

Reconciliation of the profit/(loss) after tax to the net cash flows from operations		
Net profit/(loss)	**(4,601)**	1,840
Adjustments for:		
Depreciation of non-current assets	**1,338**	2,677
Impairment of goodwill and fixed assets	**4,389**	-
Net (profit)/loss on disposal of property, plant and equipment	**780**	(21)
Share of profit of jointly controlled entities	**(23)**	(53)
Other	**-**	(1)
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	**334**	2,091
(Increase)/decrease in inventory	**(6,488)**	(7,922)
(Increase)/decrease in deferred tax assets	**(1,866)**	287
(Increase)/decrease in prepayments and other receivables	**(162)**	519
(Decrease)/increase in trade and other creditors	**4,621**	2,658
(Decrease)/increase in tax provision	**(492)**	(43)
(Decrease)/increase in deferred income tax liability	**(792)**	446
(Decrease)/increase in employee benefits	**31**	39
(Decrease)/increase in other provisions	**1,119**	-
Net cash flow from operating activities	**(1,812)**	2,517

Disclosure of financing facilities
Refer to note 19.

Disclosure of non-cash financing and investing activities
There has been no plant and equipment acquired by way of lease during 2013 or 2012.

11. TRADE AND OTHER RECEIVABLES (CURRENT)	CONSOLIDATED	
	30/6/13 6 months	31/12/12 12 months
	$'000	$'000
Trade receivables (i)	**8,483**	9,784
Deposits and other loans	**20**	29
Other receivables (ii)	**1,113**	199
	9,616	10,012
Related party receivables (iii)		
Jointly controlled entities	**62**	-
	62	-
Carrying amount of trade and other receivables	**9,678**	10,012

(i) Trade receivables are non-interest bearing and are generally on 30-60 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. The amount of an allowance is measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors. No allowance has been recognised as an expense for the current period as no evidence of a doubtful debt exists.

All receivables that are neither past due or impaired are with long standing clients who have a good credit history with the Group.

Aging Analysis of "past due, not impaired" receivables:	CONSOLIDATED	
	2013	2012
	$'000	$'000
61 - 90 days	**598**	857
> 90 days	**83**	184
Total	**681**	1,041

(ii) Other receivables include an accrual for a crop insurance refund associated with the 2012/2013 crop year. Crop insurance refunds are normally received in the months of August or September.

(iii) For items and conditions relating to related party receivables refer to note 28.

12. INVENTORIES (CURRENT)		
Raw materials (at cost)	**2,658**	2,536
Work-in-progress (at cost)	**13,616**	1,515
Finished goods (at cost)	**12,408**	18,143
	28,682	22,194

13. OTHER CURRENT ASSETS		
Prepayments		
	1,008	846
	1,008	846

14. INVESTMENT IN CONTROLLED ENTITIES

Name		Country of incorporation	Percentage of equity interest held by the Group		
			30/6/13 %	31/12/12 %	
Australian Golden Ginger Pty Ltd	(i)	Australia	**-**	100	Voluntarily deregistered in 2013
Gingertown Pty Ltd	(i)	Australia	**-**	100	Voluntarily deregistered in 2013
Buderim Ginger (Overseas) Holdings Pty Ltd	(i)	Australia	**100**	100	
Buderim Baking Company Pty Ltd	(i)	Australia	**100**	100	
Buderim Ginger America, Inc	(ii)	United States	**100**	100	
Buderim Ginger (UK) Ltd	(ii)	United Kingdom	**100**	100	
Frespac Ginger (Fiji) Ltd	(ii)	Fiji	**100**	100	
Buderim Macadamias Pty Ltd	(i)	Australia	**100**	100	
Buderim Macadamias of Hawaii, LLC	(iii)	United States	**100**	100	
Buderim Ginger America, LLC	(iii)	United States	**-**	100	Voluntarily deregistered in 2013

(i) Investment by Buderim Ginger Limited. Australian Golden Ginger Pty Ltd and Gingertown Pty Ltd had been dormant for some time and were voluntarily deregistered in May 2013.

(ii) Investment by Buderim Ginger (Overseas) Holdings Pty Ltd.

(iii) Investment by Buderim Ginger America, Inc. Buderim Ginger America, LLC had been dormant for a number of years and was voluntarily deregistered in May 2013.

Acquisition of controlled entity

No acquisitions occurred during the period ended 30 June 2013.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name		Country of incorporation	Percentage of equity interest held by the entity		Investment Consolidated	
			30/6/13	31/12/12	**30/6/13**	31/12/12
			%	%	**$'000**	$'000
Ginger Head Quarters Pty Ltd	(i)	Australia	**50**	50	**1,209**	1,186
					1,209	1,186

(i) Buderim Ginger Limited has a 50% interest in the joint venture Ginger Head Quarters Pty Ltd with DPG Enterprises Pty Ltd. The joint venture entity is involved in tourism activities with the Ginger Factory tourism complex at Yandina.

The reporting date of Ginger Head Quarters Pty Ltd is the same as Buderim Ginger Limited. There were no impairment losses, capital commitments or contingent liabilities relating to the investment in this entity. The following table illustrates summarised information of the investment in Ginger Head Quarters Pty Ltd.

	CONSOLIDATED	
	30/6/13 6 months $'000	31/12/12 12 months $'000
Share of jointly venture's balance sheet:		
Current assets	**113**	114
Non-current assets	**1,102**	1,063
Current liabilities	**(54)**	(40)
Net assets	**1,161**	1,137
Share of joint venture's revenues and profit:		
Revenue	**172**	392
Expenses	**(155)**	(316)
Profit before income tax	**17**	76
Income tax expense	**6**	(23)
Profit after income tax	**23**	53
Other comprehensive income	**-**	-
Total comprehensive income for the period	**23**	53
Reconciliation of movement in investment		
Opening balance	**1,186**	1,213
Dividend paid	**-**	(80)
Profit/(loss) after tax	**23**	53
Closing balance	**1,209**	1,186

Major components included in joint venture financial statements
Balance sheet

Cash at bank and on hand	**66**	86
Buildings and plant and equipment	**1,007**	968
Goodwill	**95**	95
Revenues and expenses		
Depreciation and amortisation	**31**	31

16. PROPERTY, PLANT AND EQUIPMENT	CONSOLIDATED	
	30/6/13 6 months	31/12/12 12 months
	$'000	$'000
Land		
Leasehold land at fair value	**433**	409
Freehold land at fair value	**7,250**	7,250
Total land	**7,683**	7,659
Buildings on leasehold land		
At cost	**954**	901
Accumulated depreciation	**(716)**	(651)
	238	250
Buildings on freehold land		
At cost	**10,245**	10,287
Accumulated depreciation	**(5,806)**	(5,699)
	4,439	4,588
Total land and buildings	**12,360**	12,497
Plant and equipment		
At cost	**34,397**	34,023
Accumulated depreciation	**(21,790)**	(21,157)
Impairment	**(2,373)**	-
Total plant and equipment	**10,234**	12,866
Capital works in progress at cost	**609**	364
Total property, plant and equipment		
Fair value	**7,683**	7,659
Cost	**45,596**	45,575
	53,888	53,234
Accumulated depreciation and amortisation	**(28,312)**	(27,507)
Impairment	**(2,373)**	-
Total written down amount	**23,203**	25,727

(a) Assets pledged as security

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

16. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Valuations

Fair value of land is determined by what the asset can be exchanged for in an orderly transaction between market participants to sell the asset at the measurement date under current market conditions. The Directors have determined that the fair value as at 30 June 2013 is consistent with the value as recorded as at 31 December 2012. The Directors fair value adjustments as at 31 December 2012 were based on an independent valuers assessment undertaken as at 31 December 2012.

The independent fair value assessments of the group's land at 31 December 2012 were performed by Collies International (Australia) and Rolle Associates (Fiji). The fair value of land was determined based on the market comparable approach that reflects recent transaction prices. Details of the group's land and information about the fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Fair Value
	$'000	$'000	$'000	$'000
Leasehold land	-	433	-	433
Freehold land	-	7,250	-	7,250
Total	**-**	**7,683**	**-**	**7,683**

There were no transfers between Level 1 and Level 2 during the period.

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

	30/6/13	31/12/12
	$'000	$'000
Freehold Land		
Cost	**295**	295
Accumulated depreciation	**-**	-
Net book amount	**295**	295
Leasehold Land		
Cost	**94**	70
Accumulated depreciation	**-**	-
Net book amount	**94**	70

(c) Impairment loss

The impairment loss relates to assets in the Baking segment for which the future cash flows indicated an impairment, refer to note 24.

16. PROPERTY, PLANT AND EQUIPMENT (continued)	CONSOLIDATED	
	30/6/13 6 months	31/12/12 12 months
	$'000	$'000
(d) Reconciliations		
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial period.		
Leasehold land		
Carrying amount at beginning	**409**	70
Revaluation to fair value	**24**	339
Net foreign currency movements	**-**	-
	433	409
Freehold land		
Carrying amount at beginning	**7,250**	10,000
Devaluation to fair value	**-**	(2,750)
Disposals	**-**	-
	7,250	7,250
Buildings on Leasehold land		
Carrying amount at beginning	**249**	353
Disposal	**-**	(12)
Net foreign currency movements	**15**	(42)
Depreciation expense	**(26)**	(50)
	238	249
Buildings on freehold land		
Carrying amount at beginning	**4,589**	4,266
Transfers	**34**	622
Disposals	**(24)**	-
Depreciation expense	**(160)**	(299)
	4,439	4,589
Plant and equipment (including leasehold improvements)		
Carrying amount at beginning	**12,866**	13,946
Additions	**742**	818
Make-good on premises lease	**587**	-
Transfers	**320**	446
Disposals	**(756)**	(110)
Impairment	**(2,373)**	-
Net foreign currency movements	**-**	5
Depreciation expense	**(1,152)**	(2,239)
	10,234	12,866
Capital Works in progress at cost		
Carrying amount at beginning	**364**	166
Additions	**599**	1,266
Transfers	**(354)**	(1,068)
	609	364

17. INTANGIBLE ASSETS		CONSOLIDATED		
		Goodwill	Trade marks	Total
		$'000	$'000	$'000
At 1 January 2013				
Cost (gross carrying amount)		3,948	220	**4,168**
Accumulated amortisation and impairment		(59)	(76)	**(135)**
Net carrying amount		3,889	144	**4,033**
Period ended 30 June 2013				
At 1 January 2013, net of accumulated amortisation		3,889	144	**4,033**
Additions		-	-	**-**
Less impairment	(a)	(2,016)	-	**(2,016)**
Foreign exchange movement / other		12	-	**12**
At 30 June 2013, net of accumulated amortisation		1,885	144	**2,029**
At 30 June 2013				
Cost (gross carrying amount)		3,960	220	**2,164**
Accumulated amortisation and impairment		(2,075)	(76)	**(135)**
Net carrying amount		1,885	144	**2,029**

(a) The goodwill acquired on acquisition of the Baking business was impaired by $2,016,000 (2012: $nil) due to the business's delay in returning to profitability at the pace previously anticipated since losing a major customer at the end of 2011.

Assets pledged as security

Refer Note 16.

Impairment testing

Refer Note 24.

	Goodwill	Trade marks	Total
	$'000	$'000	$'000
At 1 January 2012			
Cost (gross carrying amount)	3,950	217	**4,167**
Accumulated amortisation and impairment	(59)	(76)	**(135)**
Net carrying amount	3,891	141	**4,032**
Year ended 31 December 2012			
At 1 January 2012, net of accumulated amortisation	3,891	141	**4,032**
Additions	-	3	**3**
Foreign exchange movement / other	(2)	-	**(2)**
At 31 December 2012, net of accumulated amortisation	3,889	144	**4,033**
At 31 December 2012			
Cost (gross carrying amount)	3,948	220	**4,168**
Accumulated amortisation and impairment	(59)	(76)	**(135)**
Net carrying amount	3,889	144	**4,033**

18. TRADE AND OTHER PAYABLES

	CONSOLIDATED 30/6/13 6 months $'000	31/12/12 12 months $'000
CURRENT		
Trade payables (i)	**6,032**	5,700
Other payables (i)	**10,909**	6,645
Interest payable (ii)	**36**	43
	16,977	12,388
Related party payables (iii)		
Joint venture entities	**67**	113
	67	113
Carrying amount of trade and other payables	**17,044**	12,501

(i) Trade and other payables are non-interest bearing and are normally settled on 30 – 45 day terms. The net of GST payable and GST receivable is remitted to the appropriate tax body on a monthly basis, except for Buderim Baking Company Pty Ltd who remits the net GST payable on a quarterly basis.

(ii) Interest payable is normally settled monthly throughout the financial period.

(iii) For terms and conditions relating to related parties refer to note 28.

19. INTEREST-BEARING LIABILITIES

	Effective Interest rate %	Maturity	CONSOLIDATED 30/6/13 $'000	31/12/12 $'000
CURRENT				
Secured				
Bank overdraft (i)	9.08	-	**425**	288
Bank bill facility (i)	5.09	rolling	**20,283**	8,061
Bank loans (ii)				
- Frespac Ginger (Fiji) Pty Ltd	11.49	2013/14	**7**	6
- Buderim Baking Company Pty Ltd	6.57	2013/14	**-**	104
- Buderim Ginger Limited	6.95	2013/14	**537**	172
- Buderim Macadamias Pty Ltd	6.82	2013/14	**146**	140
			21,398	8,771
NON-CURRENT				
Secured				
Bank bill facility (i)	5.09	Rolling	**-**	8,331
Bank loans (ii)				
- Frespac Ginger (Fiji) Pty Ltd	11.49	2014/15	**1**	4
- Buderim Macadamias Pty Ltd	6.82	2014/15	**225**	297
			226	8,632

19. INTEREST-BEARING LIABILITIES (continued)

(i) Bank overdraft and bill facilities

The bank overdraft and bill finance facilities are secured by a registered equitable mortgage over the group's assets. The effective interest rate on the bill facilities is currently 5.09% (2012: 5.21%). The interest rate on the overdraft facilities is approximately 9.08% (2012: 9.33%).

(ii) Bank loans

Bank loans are secured over the plant and equipment of the subsidiaries subject to the loan. Frespac Ginger (Fiji) Limited loan facilities are at an average interest rate of 11.49% (2012: 11.49%) which are supported by a guarantee from the parent entity. Buderim Ginger Limited's loan is at an average interest rate of 6.79% (2012: 5.75%). This loan represents funding of general insurance premiums. Buderim Macadamias Pty Ltd's loan is at an interest rate of 6.82% (2012: 6.82%) and is secured over the plant and equipment subject to the loan.

(iii) Working Capital Facility

In accordance with the terms of facilities established with Rabobank Australia Limited during the financial year ended 31 December 2012, bills were classified as both current and long term in the comparative year. Banking arrangements were revised in May 2013 to incorporate crop funding facilities of $5.5m. As at 30 June 2013 debt owed to Rabobank Australia has been reclassified as current due to the breach of two banking covenants (the debt service ratio and the equity ratio) in relation to seasonality factors whereby the majority of turnover and profitability are achieved in the July to December period, the provisions for the cessation of the baking business and the payment of a 12 month dividend reported in a six month period. Discussions with Rabobank are being held regarding the revision of covenants to fit a June year-end timing when inventory and debt peak due to harvest activity.

Included in the working capital facility at balance date, are overseas currency loans held as part of the company's hedge management strategy, combined with working capital requirements for its Hawaiian macadamia processing facility. The working capital facility is on 30 – 90 rollover terms with variable interest rates linked to BBSY rates.

Financing facilities available

Financiers

Rabobank Australia Limited are the company's principal financiers, whilst Westpac Banking Corporation supply retail banking facilities such as overdraft, dividend, share purchase plan accounts, business and corporate on-line facilities, to group entities.

At reporting date, the following financial facilities had been negotiated and were available:

	CONSOLIDATED	
	30/6/13	31/12/12
	$'000	$'000
Total facilities		
- bank overdraft	**1,000**	1,000
- working capital facility	**21,583**	16,392
- bank loans	**916**	723
Facilities used at reporting date		
- bank overdraft	**425**	288
- working capital facility	**20,283**	16,392
- bank loans	**916**	723
Facilities unused at reporting date		
- bank overdraft	**575**	712
- working capital facility	**1,300**	-

Bank Guarantee Facility

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

20. PROVISIONS

	CONSOLIDATED	
	30/6/13 6 months	31/12/12 12 months
	$'000	$'000
CURRENT		
Employee benefits	**883**	852
Onerous contracts	**532**	-
Make-good	**587**	-
	2,002	852
NON-CURRENT	**44**	45
Employee benefits	**44**	45
	2,046	897

Nature of Provisions

Provisions for Onerous Contracts

A provision for onerous contracts has been included in the financial statements for the reporting period ended 30 June 2013 to allow for unavoidable costs of meeting financial obligations under baking contracts which exceed the economic benefits expected to be received under them. As there are no opportunities to redeploy assets subject to these contracts, and therefore no possibility to avoid the financial obligations associated with these contracts, the provision of onerous contracts has been based on the net present value of contractual obligations over the contract terms. The calculation of this provision required assumptions of contracts not released on sale of the Baking business and their associated cost estimates. There is the likelihood that amounts included in the provision will change as they are subject to negotiations with suppliers.

Provision for Make-good

A provision has been made for anticipated costs for future restoration of leased premises on which a new lease was executed during the period. The provision includes future estimated costs associated with the Baking segment premises within the next 12 months. The calculation of this provision required assumptions such as the application of closure dates and cost estimates and is based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting the asset and the provision.

Movement in provisions	**Onerous contracts**	**Lease make-good**
	$'000	**$'000**
Carrying amount as at 1 January 2013	**-**	-
Amounts recognised	**532**	587
Amounts used	**-**	-
Unused amounts reversed	**-**	-
Carrying amounts as at 30 June 2013	**532**	587

21. CONTRIBUTED EQUITY AND RESERVES	CONSOLIDATED	
	30/6/13	31/12/12
	$'000	$'000
Issued and paid up capital		
20,648,694 ordinary shares fully paid (2012: 20,648,694)	**28,044**	28,044

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

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

	30/6/13		31/12/12	
Movements in ordinary shares on issue	**Number of shares**	**$'000**	**Number of shares**	**$'000**
Beginning of the financial year	**20,648,694**	**28,044**	82,592,707	28,044
Issued during the period				
- share consolidation (i)	**-**	**-**	(61,944,013)	-
End of the financial year	**20,648,694**	**28,044**	20,648,694	28,044

(i) At the Company's Annual General Meeting held on 27 April 2012, shareholders of Buderim Ginger Limited approved a 1:4 share consolidation. The share consolidation was completed on 14 May 2012. Post-consolidation the Company has 20,648,694 ordinary shares on issue.

(ii) There have not been any movement in ordinary shares on issue during the period ended 30 June 2013.

Nature and purpose of reserve

Asset Revaluation

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

Foreign currency translation

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

Cash flow hedge

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

Dividend

In May 2013 a 3 cent dividend per ordinary share was paid out of profits for the year ended 31 December 2012. A dividend for the period ended 30 June 2013 has not been declared.

22. MARKET RISKS

(a) Interest rate/foreign exchange risk

Refer to note 19 for disclosure on effective interest rates. The analysis in the following tables assumes all other variables remain constant

Summarised Sensitivity Analysis as at 30 June 2013	INTEREST RATE RISK				FOREIGN EXCHANGE RISK			
	-1%		1%		-10%		10%	
	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Financial assets								
Cash and cash equivalents	(15)	(15)	15	15	45	45	(37)	(37)
Trade and other receivables	-	-	-	-	59	59	(49)	(49)
Derivatives - cash flow hedges	-	-	-	-	-	69	-	(56)
Financial Liabilities								
Derivatives - cash flow hedges	-	-	-	-	-	(76)	-	62
Trade and other receivables	-	-	-	-	(120)	(120)	99	99
Bank Overdraft	5	5	(5)	(5)	-	-	-	-
Borrowings	204	204	(204)	(204)	(461)	(461)	461	461
Total increase/(decrease)	194	194	(194)	(194)	(477)	(484)	474	480

Summarised Sensitivity Analysis as at 31 December 2012	INTEREST RATE RISK				FOREIGN EXCHANGE RISK			
	-1%		1%		-10%		10%	
	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Financial assets								
Cash & cash equivalents	(12)	(12)	12	12	-	-	-	-
Trade and other receivable	-	-	-	-	77	77	(63)	(63)
Derivatives - cash flow hedges	-	-	-	-	-	77	-	(63)
Financial Liabilities								
Derivatives - cash flow hedges	-	-	-	-	-	(56)	-	46
Trade and other payables	-	-	-	-	(36)	(36)	30	30
Bank overdraft	3	3	(3)	(3)	-	-	-	-
Borrowings	164	164	(164)	(164)	(439)	(439)	439	439
Total Increase/(decrease)	155	155	(155)	(155)	(398)	(377)	406	389

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

22. MARKET RISKS (continued)

(b) Hedging risk

Cash flow hedges – foreign currency

At 30 June 2013, the Group held no foreign exchange contracts designated as hedges of expected future sales to customers in the United States of America (2012: 5 July 2013). The average AUD/USD exchange rate of the 2012 contracts was $0.9734 with an AUD equivalent of $508,000. Funds to be received from expected future sales to customers in the United States of America are to facilitate natural hedges on payment for future purchases from overseas ginger suppliers.

At 30 June 2013, the Group held foreign exchange contracts designated as hedges of expected future sales in Euro's with varying maturity dates up to 11 October 2013, an average AUD/EUR of $0.7137 and an AUD equivalent of $532,000 (2012: Nil).

At 30 June 2013 the Group held foreign exchange contracts designated as hedges of future purchases from overseas suppliers with varying maturity dates up to 28 February 2014 (2012: 31 October 2013) with an average AUD/USD exchange rate of $0.969823 (2012: $1.0096) and an AUD equivalent of $619,000 (2012: $1,087,000).

At 30 June 2013 the Group held no foreign exchange contracts designated as hedges of future intra-group debt reductions. In 2012 these contracts had varying maturity dates up to 28 March 2013, an average AUD/USD exchange rate of $0.9945, and an AUD equivalent of $101,000.

The terms of all foreign exchange contracts have been negotiated to match the terms of the commitments.

Hedge on investments in foreign entities

Included in the bill facility at 30 June 2013, are borrowings of USD $3,850,000 (AUD $4,144,687). As at 31 December 2012, these borrowings were USD $4,150,000 (AUD $3,953,510). These loans are being used to reduce the exposure to foreign exchange risk and to support the working capital requirements for MacFarms of Hawaii in the local currency. Exchange differences at balance date have been brought to account in profit or loss.

23. COMMITMENTS AND CONTINGENCIES

	CONSOLIDATED	
	30/6/13	31/12/12
	$'000	$'000
Operating lease commitments – Group as lessee		
The Group has entered into commercial leases on certain motor vehicles and office space where it is not in the best interest of the Group to purchase these assets. These leases have an average life of 3 years. The Group entered into a 20 year lease of the Hawaiian orchard and processing facilities commencing on 11 August 2008 and ending on 10 August 2028. The term may be extended for successive additional two (2) year renewal terms, which renewal terms shall be deemed to be exercised on the same terms and conditions (other than the length of the Term), unless either party provides to the other party at least twelve (12) months' prior written notice of non-renewal, or the lease is terminated or not renewed prior to the expiration of the Term or any renewal term. The lease includes buildings, improvements and the nut storage and husking facilities, together with all macadamia nut trees and other plants thereon for an annual lease payment of $US 250,000.		
Future minimum rentals payable under non-cancellable operating leases as at 30 June 2013 are as follows:		
Within one year	**1,174**	1,067
After one year and not more than five years	**3,999**	3,321
In excess of five years	**2,458**	2,547
	7,631	6,935

Finance lease commitments – Group as lessee

The Group has no remaining finance leases or hire purchase contracts.

	CONSOLIDATED	
	30/6/13	31/12/12
	$'000	$'000
Capital commitments		
At 30 June 2013 the Group has commitments of $338,000 (2012: $44,000) principally relating to plant and machinery upgrades planned for 2013/14. Commitments contracted at reporting date, but not recognised as liabilities are as follows:		
Within one year	**338**	44
- plant and equipment upgrades	**338**	44

24. IMPAIRMENT TESTING

Management assess the appropriateness of the discount rates applied within impairment testing models and engage external consultants from time to time to review these assessments. The discount rates detailed below were last reviewed in July 2013. The identified cash generating units comprise the Australian and Fijian Ginger divisions, the Tourism division, the Baking division and the Australian and Hawaiian Macadamia divisions. The assessed discount rates are based on the cash generating unit's weighted average cost of capital which reflects a rate of return that is required to provide both debt and equity holders with a return that is commensurate with the level of risk inherent in the cash generating unit. The assessment of appropriate weighted average cost of capital rates involved the determination of appropriate costs of equity and debt and appropriate assumptions in relation to the debt-equity mix. Goodwill acquired through business combinations is allocated to individual cash generating units for impairment testing as follows::

- Tourism cash generating unit
- Baking cash generating unit
- Macadamia Australian cash generating unit

Discount rates applicable to cash generating units

The recoverable amount of each cash generating unit has been determined based on a value in use calculation, excluding the Baking division which has been determined by its fair value less cost to sell. To calculate this, cash flow projections are based on financial budgets approved by the board of directors. The budget for the forthcoming year is then used as a basis for projecting performance over a five year period. Growth averaging 3% (2012: 3%) has been applied to cash forecasts including the period beyond 5 years which does not exceed the long-term average growth rate in any of the locations, markets or industry in which operations are conducted. The pre-tax discount rate applied to the cash flow projections for each unit are as follows:

- Ginger Australia 10.4% (2012: 9.0%)
- Ginger Fijian 15.5% (2012: 12.0%)
- Tourism 12.0% (2012: 9.6%)
- Baking 10.4% (2012: 9.7%)
- Macadamias - Australia 10.4% (2012: 9.4%)

Key assumptions used in cashflow forecasts include:

- Revenue – Ginger decline due to economic influences in overseas markets, and business cessation for Baking based on continuing delays in securing new business, with steady moderate growth in other segments.
- Gross Margins – Current percentage achievements assumed going forward.
- Overheads – Inflation increase applied along with known contract revisions.

These values have been determined via the following means:

- Revenue – Volume of supply and demand in each segment evaluated, combined with anticipated price increases.
- Gross Margins – Culmination of revised product standards, supply contracts and anticipated labour rate increases.
- Overheads – Individually assessed by segment and department.
- Currency cross rate and interest rate forecasts applied throughout group.

In the financial statements for the years ended 31 December 2012 and 2011, Directors advised that the loss of a major component of the business in late 2011 had a significant impact of Baking's result for that year, and although this represented a trigger for impairment, Directors and management had employed strategies which they felt would overcome the issue going forward. Despite managements dedicated focus on securing new business for the Baking segment through production trials, demonstrations, price negotiations and staged launches for prospective customers over the past 18 months, the quantum of new business secured has not been sufficient enough to generate cash flows to support the full value of assets recorded and substantiate retention of the Baking business.

The recovery amount of Baking's goodwill has been determined by its fair value less costs to sell. As a result of this assessment, Baking's goodwill of $2.0m was impaired in total.

The recovery amount of Baking's fixed assets was also considered in this assessment. This resulted in Baking's assets being impairment to a realisable value, less the cost to sell. The total impairment of fixed assets amounted to $2.37m. Any difference between the eventual realised value of Baking's assets on sale, and the written down value determined through the impairment will be brought to account on the profit and loss statement at the time of sale. The sales price achieved was not significantly different to the fair value recorded at balance date.

Carrying amount of goodwill, brand name and trademarks allocated to each of the cash generating units

CONSOLIDATED	Ginger Australia		Ginger Fijian		Baking		Tourism		Macadamia Australia		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Carrying amount of goodwill	**48**	44	**102**	96	**-**	2,016	**218**	218	**1,517**	1,517	**1,885**	3,891
Trademarks	**143**	141	**1**	1	**-**	-	**-**	-	**-**	-	**144**	142
	191	185	**103**	97	**-**	2,016	**218**	218	**1,517**	1,517	**2,029**	4,033

25. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the end of the reporting period, directors commenced discussions with a potential purchaser of Baking's assets. These negotiations resulted in the signing of the contract of sale through which an amount of $1m will be realised on Baking's assets (being primarily plant and equipment) which were written down to their fair value as at balance date which was not significantly different to the sales price achieved. Additionally an amount of up to $900k will be realised on inventory. The completion date in the contract of sale is 30 September 2013.

26. DIRECTORS AND EXECUTIVE DISCLOSURES

(a) Details of Compensation of Directors and Executives

Details of the nature and amount of each element of the remuneration of Key Management Personnel of the company and the Group for the financial period can be found in the remuneration report in the directors report.

	CONSOLIDATED	
	30/6/13 6 months $'000	31/12/12 12 months $'000
Short-term employee benefits		
Cash salary and fees	**681,878**	1,545,163
Non Monetary	**93,110**	174,565
Post-employment benefits		
Superannuation	**53,458**	108,317
Long term employee benefits		
Long service leave	**11,152**	23,001
Termination benefits	**-**	-
	839,598	1,851,046

(b) Shareholdings during the period ended 30 June 2013

Ordinary Shares held in Buderim Ginger Limited	Balance 1 January 2013	Market Acquisition / (Sale)	Balance 30 June 2013
	Ordinary No.	Ordinary No.	Ordinary No.
Current Directors			
S.T. Templeton	1,048,951*	-	1,048,951
S.J. Morrow	39,674	-	39,674
G. Vasili	6,819,959	-	6,819,959
M. Walker	-	-	-
Executives			
R.D. Masters	-	91,418	91,418
K.L. Rogers	827	-	827
D.R. Burton	-	-	-
C.M. Mikkelsen	-	-	-
C.E. Todd	1,634	-	1,634
Retired Executives			
M.R. Richardson	-	-	-
J.H. Wilkie	76,418	(76,418)	-

* Shares held nominally by directors include 56,209 held by S. Templeton.

Executive shareholdings are all nominally held. All equity transactions with directors and executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Current Directors

(1) S. Templeton holds a relevant interest in 13,297 shares registered in the name of Templeton Holdings (Qld) Pty Ltd, and 979,445 shares registered in the name of Redarea Pty Ltd (The Templeton Family Account).

(2) S.Morrow holds relevant interest in 39,674 shares registered in the name of S.J.Morrow & B.Morrow (Morrow Family Superannuation Fund).

(3) G. Vasili holds a relevant interest in 6,595,364 shares registered in the name of The John Cheadle Trust and 224,595 shares registered in the name of Mr John Cheadle.

(4) M. Walker does not hold shares or relevant interests.

26. DIRECTORS AND EXECUTIVE DISCLOSURES (continued)

(c) Shareholdings during the year ended 31 December 2012

Ordinary Shares held in Buderim Ginger Limited	Balance 1 January 2012	Share Consolidation	Market Acquisition / (Sale)	Balance 31 December 2012
	Ordinary No.	Ordinary No.	Ordinary No.	Ordinary No.
Current Directors				
S.T. Templeton	4,195,798	(3,146,847)	-	1,048,951*
S.J. Morrow	158,696	(119,022)	-	39,674
G. Vasili	26,381,453	(19,786,089)	224,595	6,819,959
M. Walker	-	-	-	-
Retired Director				
S.J. Maitland	325,000	(243,750)	-	81,250
Executives				
M.R. Richardson	-	-	-	-
K.L. Rogers	3,303	(2,476)	-	827
J.H. Wilkie	305,670	(229,252)	-	76,418
D.R. Burton	-	-	-	-
C.M. Mikkelsen	-	-	-	-
C.E.Todd	6,536	(4,902)	-	1,634
Retired Executives				
R.W. O'Grady	1,000,000	(750,000)	-	250,000

* Shares held nominally by directors include 56,209 held by S. Templeton.

Executive shareholdings are all nominally held.

All equity transactions with directors and executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Current Directors

(1) S. Templeton holds a relevant interest in 13,297 shares registered in the name of Templeton Holdings (Qld) Pty Ltd, and 979,445 shares registered in the name of Redarea Pty Ltd (The Templeton Family Account).

(2) S.Morrow holds relevant interest in 39,674 shares registered in the name of S.J.Morrow & B.Morrow (Morrow Family Superannuation Fund).

(3) G. Vasili holds a relevant interest in 6,819,959 shares registered in the name of The John Cheadle Trust.

(4) M. Walker does not hold shares or relevant interests.

(d) Other transactions and balances with directors and executives

Ginger Supplies

S. Templeton is a director of Templeton Ginger Pty Ltd. Ginger supplies were purchased during the year from Templeton Ginger Pty Ltd to the value of $724,300 (2012: $1,407,600) in a normal customer relationship on terms and conditions no more favourable than those available on similar transactions to other suppliers. Refer Note 28.

(e) Loans

There were no loans made to key management personnel during the period or prior year and there are no loans outstanding as at 30 June 2013.

27. AUDITORS' REMUNERATION	CONSOLIDATED	
	30/6/13 6 months $'000	31/12/12 12 months $'000
Amounts received or due and receivable by BDO Audit Pty Ltd for:		
- an audit or review of the financial report of the parent entity and any other entity in the consolidated group	**121,550**	109,000
- tax advice in relation to the entity and any other entity in the consolidated entity	**22,295**	60,844
- other assurance services in relation to the entity and any other entity in the consolidated entity	**13,570**	-
	157,415	169,844
Amounts received or due and receivable by internationally related practices of BDO for:		
- an audit or review of the financial report of subsidiaries	**10,843**	9,545
- tax advice in relation to subsidiaries	**19,078**	20,241
	29,921	29,786
	187,336	199,630

28. RELATED PARTY DISCLOSURES

Entities subject to class order relief

Pursuant to Class Order 98/1418, relief has been granted to certain controlled entities of Buderim Ginger Limited from the Corporations Act 2001 requirements for preparation, audit, publication and lodgement of their financial reports. 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. Members of the closed group include Buderim Ginger (Overseas) Holdings Pty Ltd, Buderim Baking Company Pty Ltd and Buderim Macadamias Pty Ltd. The effect of the deed is that Buderim Ginger Limited has guaranteed to pay any deficiency in the event of winding up of the members of the close group. The members of the closed group have also given a similar guarantee in the event that Buderim Ginger Limited is wound up. The consolidated statement of comprehensive income and statement of financial position of the entities which are members of the "Closed Group" are as follows:

	CLOSED GROUP	
	30/6/13 6 months $'000	31/12/12 12 months $'000
INCOME		
Sale of goods	**24,544**	58,596
Cost of sales	**(21,055)**	(46,222)
Gross profit	**3,489**	12,374
Rental revenue	**112**	229
Dividend income	**-**	369
Other income	**443**	223
Finance revenue	**16**	13
Total income	**4,060**	13,208
Share of profit of jointly controlled entity	**23**	53
Selling and distribution expenses	**(2,991)**	(6,181)
Marketing expenses	**(161)**	(288)
Tourism expenses	**(1,191)**	(2,195)
Administration expenses	**(1,977)**	(5,008)
Impairment expenses	**(4,389)**	-
Other expenses	**(1,312)**	-
PROFIT/(LOSS) BEFORE TAX AND FINANCE COSTS	**(7,938)**	(411)
Finance costs	**(424)**	(707)
PROFIT/(LOSS) BEFORE INCOME TAX	**(8,362)**	(1,118)
Income tax (expense) / benefit	**2,342**	486
NET PROFIT/(LOSS) FOR THE PERIOD	**(6,020)**	(632)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Currency translation	**-**	-
Cash flow hedges	**27**	55
Total other comprehensive income/(loss) net of tax	**27**	55
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**(5,993)**	(577)
Total net profit/(loss) is attributable to:		
Equity holders of Buderim Ginger Limited	**(6,020)**	(632)
	(6,020)	(632)
Total comprehensive income/(loss) is attributed to:	**(5,993)**	(577)
Equity holders of Buderim Ginger Limited	**(5,993)**	(577)

28. RELATED PARTY DISCLOSURES (continued)	CLOSED GROUP	
	30/6/13	31/12/12
	$'000	$'000
(ii) Consolidated Statement of Financial Position		
CURRENT ASSETS		
Cash and cash equivalents	**566**	545
Trade and other receivables	**6,569**	7,545
Inventories	**23,776**	17,031
Current tax assets	**-**	25
Other current assets	**643**	579
Derivatives	**44**	28
TOTAL CURRENT ASSETS	**31,598**	25,753
NON-CURRENT ASSETS		
Receivables	**6,840**	7,545
Investments	**1,298**	1,298
Investments accounted for using equity method	**1,209**	1,186
Property, plant and equipment	**20,806**	23,188
Deferred tax assets	**4,710**	2,221
Intangible assets	**1,878**	3,893
TOTAL NON-CURRENT ASSETS	**36,741**	39,331
TOTAL ASSETS	**68,339**	65,084
CURRENT LIABILITIES		
Trade and other payables	**17,620**	13,036
Interest-bearing liabilities	**21,096**	8,547
Short-term provisions	**1,871**	845
Current tax liabilities	**-**	-
Derivatives	**25**	36
TOTAL CURRENT LIABILITIES	**40,612**	22,464
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	**225**	8,628
Deferred tax liabilities	**2,485**	2,364
Long-term provisions	**44**	45
TOTAL NON-CURRENT LIABILITIES	**2,754**	11,037
TOTAL LIABILITIES	**43,366**	33,501
NET ASSETS	**24,973**	31,583
EQUITY		
Contributed equity	**28,044**	28,044
Reserves	**4,233**	4,205
Retained earnings*	**(7,304)**	(666)
TOTAL EQUITY	**24,973**	31,583

	CLOSED GROUP	
	30/6/13	31/12/12
	$'000	$'000
Movement in retained earnings*		
Opening balance	**(666)**	379
Net profit/(loss) for the period	**(6,019)**	(632)
Equity dividend	**(619)**	(413)
Closing balance	**(7,304)**	(666)

28. RELATED PARTY DISCLOSURES (continued)

Transactions and balances

Sales and purchases are made under normal commercial terms and conditions. Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided for any related party except for the $300,000 guarantee provided by the parent to Westpac Banking Corporation, Fiji in relation to the overdraft and loan facilities in place for Frespac Ginger (Fiji) Ltd, and except for the conditions provided under Class Order 98/1418, whereby the parent entity has guaranteed to pay any deficiency in the event of winding up of the 100% controlled entities.

The following table provides the total amount of transactions which have been entered into with the joint venture entity.

Related party	% equity interest	Year	Sales to related parties $	Purchases from related parties $	Amounts owed by related parties $	Amounts owed to related parties $
Joint venture entities						
Ginger Head Quarters Pty Ltd	**50**	**2013**	**266,348**	**343,600**	**62,410**	**67,138**
	50	2012	484,839	684,000	-	112,787
Director						
Shane Templeton is a Director of Templeton Ginger Pty Ltd. The following table provides the total value of transactions which have been entered into with this related party for the relevant financial year and amount owing at year end.						
Templeton Ginger Pty Ltd	**-**	**2013**	**-**	**724,300**	**-**	**155,398**
	-	2012	-	1,407,600	-	10,076

For the period ended 30 June 2013, the Group has not raised any provision for doubtful debts relating to amounts owed by related parties. (2012: Nil).
This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

29. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, which includes borrowings disclosed in note 19, cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 21 and on the face of the Statement of Changes in Equity. There are no externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

Net Gearing	**30/06/13 TOTAL OPERATIONS $'000**	31/12/12 TOTAL OPERATIONS $'000
Debts:		
Interest bearing loans and borrowings	**21,624**	17,403
Cash and cash equivalents	**(1,443)**	(1,230)
Net debt	**20,181**	16,173
Total equity	**29,770**	34,483
Total capital employed	**49,951**	50,656
	40.4%	31.9%
Assets funded by external stakeholders		
Total assets	**73,300**	68,898
Total liabilities	**43,530**	34,415
	59.4%	50.0%

30. PARENT ENTITY INFORMATION

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

Parent entity	**30/6/13 $'000**	31/12/12 $'000
Current assets	**15,654**	14,590
Non-current assets	**46,349**	42,213
Total assets	**62,003**	56,803
Current liabilities	**36,082**	16,864
Non-current liabilities	**3,992**	12,264
Total liabilities	**40,074**	29,128
Net assets	**21,929**	27,675
Issued capital	**28,044**	28,044
Reserves	**4,233**	4,205
Retained earnings/(accumulated losses)	**(10,348)**	(4,574)
Total shareholders' equity	**21,929**	27,675
Net Profit/(loss) for the year	**(5,154)**	(539)
Total comprehensive income/(loss) for the year	**(5,127)**	(2,409)

Guarantees

The parent company has guaranteed under the terms of an ASIC Class Order any deficiency of funds if Australian Golden Ginger Pty Ltd, Gingertown Pty Ltd, Buderim Ginger (Overseas) Holdings Pty Ltd, Buderim Baking Company Pty Ltd and Buderim Macadamias Pty Ltd are wound up.

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

Contractual commitments

At 30 June 2013 the parent entity has commitments of $338,000 (2012: $44,000) principally relating to plant and machinery upgrades planned for 2013/14. These amounts represent commitments contracted at reporting date, but not recognised as liabilities.

Contingent liabilities

The parent entity has no contingent liabilities, other than the guarantees detailed above (2012: $nil).

Provision for Impairment

The parent entity has impaired its investment in the Baking business of $4.18m, as well as the loan receivable from Baking by $2.20m due to the entity's reduced net asset position as at 30 June 2013.

DIRECTORS' DECLARATION

The directors of the company declare that:

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

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

(ii) give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of the performance for the period ended on that date;

(b) this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2013;

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

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

(e) in the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in note 28 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 28.

Signed in accordance with a resolution of the directors.

S. Morrow

Director

Yandina, 30 September 2013

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the members of Buderim Ginger Limited

Report on the Financial Report

We have audited the accompanying financial report of Buderim Ginger Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Buderim Ginger Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Buderim Ginger Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the period ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(a) in the financial report, which indicates that the group is in breach of its banking covenants. This has resulted in all amounts owing under the facility being classified as current as at 30 June 2013. This condition, along with other matters as set forth in Note 2(a), indicates the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in page 13 to 16 of the directors' report for the period ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Buderim Ginger Limited for the period ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

P A Gallagher

Director

Brisbane: 30 September 2013

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 25 September, 2013.

(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	713	278,169
1,001 – 5,000	499	1,170,526
5,001 – 10,000	136	962,501
10,001 – 100,000	139	3,664,570
100,001 and over	19	14,572,928
	1,506	20,648,694
The number of shareholders holding less than a marketable parcel of shares are:	646	217,107

(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	Mr John Cheadle	6,819,959	33.03
2	Bundaberg Sugar Group Ltd	2,194,325	10.63
3	Rubicon Family Office Pty Limited	1,097,544	5.32
4	Rathvale Pty Limited	1,069,060	5.18
5	Shane Templeton	1,048,951	5.08
6	HSBC Custody Nominees (Australia) Limited - A/C 2	414,313	2.01
7	Roger Masters	341,418	1.65
8	Bickfords (Australia) Pty Ltd	336,941	1.63
9	Clowes Investments Pty Ltd	201,984	0.98
10	Mrs Felicity Ruth Benoit + Mr Ashley Laurence Benoit	181,578	0.88
11	Citicorp Nominees Pty Limited	151,525	0.73
12	Mr John Barr <Barr Family A/C>	140,787	0.68
13	Siben Nominees Pty Ltd <I Yaksich&Ass Med Pl Sf A/C>	125,000	0.61
14	Randell Management Services Pty Ltd <Timms Super Fund Account>	124,998	0.61
15	Panda Investments (Vic) Pty Ltd	116,565	0.56
16	The Genuine Snake Oil Company Pty Ltd <Morson Group Super Fund A/C>	112,971	0.55
17	Winpar Holdings Limited	110,000	0.53
18	Kalingo Pty Ltd	108,552	0.53
19	Vittorio Alberti	98,955	0.48
20	Mrs Penelope Susan Hestelow	89,416	0.43
	Report Total	14,884,842	72.09
	Remainder	5,763,852	27.91
	Grand Total	20,648,694	100.00

(c) Substantial shareholders

The name of the substantial shareholder who has notified the Company in accordance with section 671B of the Corporations Act 2001 is:

	NUMBER OF SHARES
Mr John Cheadle	6,819,959
Bundaberg Sugar Group Ltd	2,194,325
Rathvale Pty Limited	1,227,027
Rubicon Family Office Pty Limited	1,097,544
Redarea Pty Ltd (The Templeton Family Account)	1,059,991

(d) Substantial shareholders

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

CORPORATE INFORMATION

ABN 68 010 978 800
ASX Code: BUG

Directors
Steve Morrow (Chairman)
Shane Templeton
George Vasili
Margaret Walker

Chief Executive
Roger Masters

Company Secretary
Karon Rogers

Senior Management
Karon Rogers (Chief Financial Officer)
Darren Burton (General Manager – Macadamia)
Dave Dippelsman (General Manager – Baking)
Corinne Mikkelsen (General Manager – Tourism)
Craig Todd (Sales Director- Ginger)
Peter Knight (Operations Manager – Ginger)

Auditors
BDO Audit Pty Ltd

Solicitors
Thomsons Lawyers

Bankers
Rabobank Australia Limited
Westpac Banking Corporation

Share Register
Computershare Investor Services Pty Limited
117 Victoria Street
West End Queensland 4101
Telephone: 1300 850 5050 (within AUS)
+61 3 9415 4000 (outside AUS)
Facsimile: (03) 9473 2500
www.investorcentre.com/contact

Australian Head Office & Registered Office
50 Pioneer Road
Yandina, Queensland, 4561
Telephone: (07) 5446 7100
Facsimile: (07) 5446 7520
Email: buderimg@buderimginger.com

United States Office
Buderim Ginger America, Inc
1 Halstead Way
Mahwah, NJ 07430
United States of America
Telephone: 1 201 560 1170 or 1 551 427 3004
Facsimile: 1 201 961 7777
Email: achinlyn@buderimginger.com

Fiji Office
Frespac Ginger (Fiji) Limited
Lot 14 Wailada Estate, Lami
PO Box 15128
Suva, Fiji
Telephone: 679 3362 863
Facsimile: 679 3361 225
Email: frespac@is.com.fj

Australian Macadamia Office
Buderim Macadamias Pty Ltd t/a Agrimac Macadamias
1 Northcott Crescent
Alstonville, New South Wales, 2477
Telephone: (02) 6628 6185
Facsimile: (02) 6628 6183
Email: dburton@agrimac.com.au

Hawaiian Macadamia Office
Buderim Macadamias of Hawaii, LLC dba MacFarms of Hawaii
89-406 Mamalahoa Highway
Captain Cook, Hawaii, 96704
Telephone: 1 808 328 2435
Facsimile: 1 808 328 2080
Email: mcrawford@macfarms.com

Buderim Baking Office
Buderim Baking Company Pty Ltd
1/526 Maroochydore Road
Kunda Park, Queensland, 4556
Telephone: (07) 5445 5011
Facsimile: (07) 5445 6606
Email: davidd@buderimbaking.com.au

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