2012 ANNUAL REVIEW
OUR GLOBAL MARKET

The Annual General Meeting of Buderim Ginger Limited will be held at *The Ginger Factory*, 50 Pioneer Road, Yandina Qld on 24 April 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 AND SUSTAINING MUTUALLY BENEFICIAL RELATIONSHIPS WITHIN OUR SOCIAL AND 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.

COMPANY PROFILE

BUDERIM GINGER LIMITED IS A WORLD LEADER IN THE MARKETING AND MANUFACTURING OF CONFECTIONERY GINGER AND PREMIUM MACADAMIAS. BUDERIM'S COMPETITIVE ADVANTAGE STEMS FROM ITS HISTORY OF PRODUCING“"THE WORLD'S FINEST GINGER", ITS FOCUS ON QUALITY, ITS CAPACITY TO SOURCE THE BEST INGREDIENTS FROM AROUND THE WORLD AND ITS ABILITY TO SUPPLY TO ITS CUSTOMERS ACROSS THE GLOBE.

In addition to its primary focus on ginger and macadamia operations, the Company also owns a specialist bakery business and one of the Sunshine Coast's most popular and highly awarded tourist attractions, *The Ginger Factory*. First class shopping, a variety of fun and informative attractions and casual dining outlets are all available within a tranquil rainforest setting next to our factory at Yandina.

Buderim Ginger employs around 400 people through its head office, tourism facility and ginger processing plants at Yandina on the Sunshine Coast and in Lami Town, Fiji; its bakery operations at Kunda Park; its macadamia processing plant at Alstonville and its macadamia orchard and processing plant on the Big Island of Hawaii.

The Company also maintains, as part of its active export focus, international representation in more than 20 countries with sales and distribution offices in UK, Germany and USA (Honolulu and New Jersey).

The Company underpins its competitive position, in both domestic and export markets, through an ongoing capital investment program to update its manufacturing and distribution infrastructure.

Buderim Ginger is committed to the highest standards of food safety, holding BRC Global Standard for Food Safety, Kosher and Halal Certifications.

CAPILANO HONEY

Capilano, just like Buderim Ginger, works with the best quality; from the source on the land all the way through to the consumer in a store.

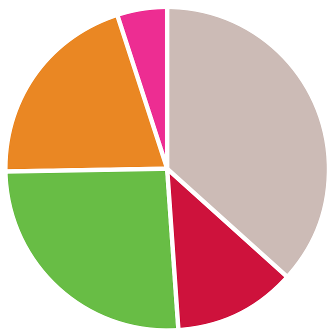
Through innovation, marketing and export direction together we have made a successful product that brings the best of both our worlds together.

2012 HIGHLIGHTS

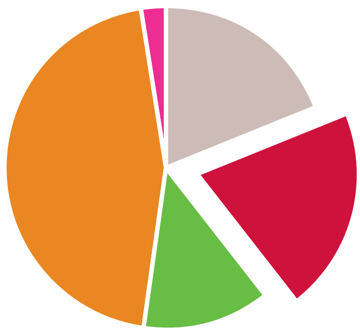
FINANCIAL & OPERATIONAL

STRENGTHENING RESULTS ACHIEVED WITH THE CONTINUATION OF OUR TURNAROUND PUTS US IN A SOLID POSITION TO GROW FURTHER WITH OUR MOMENTUM IN 2013.

BUSINESS SEGMENT REVENUES

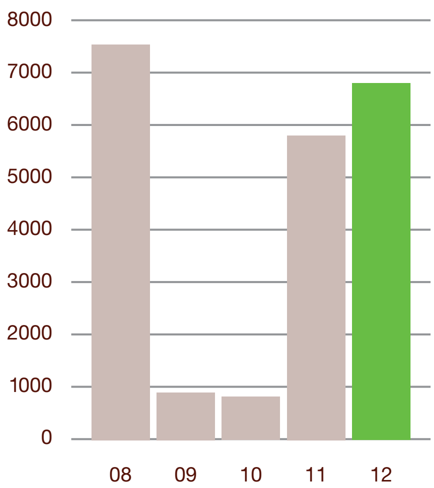


BUSINESS SEGMENT RESULTS

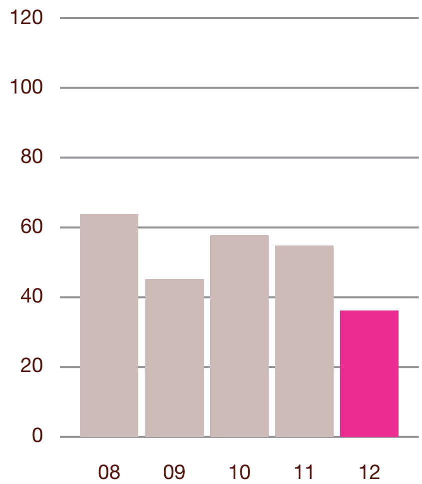


Ginger processing and distribution
Baking operations
Macadamia operations - Australia
Macadamia operations – Hawaii
Tourism operations

EBITDA ““$'000“



DEBT/EQUITY RATIO %



Sales by Business Segment during 2012 differed significantly to the prior year with a $10m decline in Baking turnover and a $10m increase in the combined Macadamia segments.

The turnaround in Group profitability is reflected with pleasing growth in both net profit and EBITDA in 2011 and 2012. When assessing the EBITDA figures, it is important to bear in mind that 2008 included a $2m discount on acquisition of the Hawaiian macadamia business which did not result from trading activity.

Continual reductions in borrowings over the last 4 years is demonstrated in an improved debt to equity ratio.

> Group revenue down 3% to $77.2m

> Current ratio improvement of 53% from 102% to 156%

> Debt to Equity ratio improvement from 65.1% to 57.2%

> Dividend payout ratio increase from 22.7% to 33.7%

BEFORE TAX PROFIT

$1.8M 2011 > $3.0M 2012

UP 64.5%

AFTER TAX PROFIT

$1.5M 2011 > $1.8M 2012

UP 19%

EBITDA

$5.8M 2011 > $6.9M 2012

UP 20%

CHAIRMAN'S OVERVIEW

STEVE MORROW

I HAVE PLEASURE IN REPORTING A CONTINUATION OF THE TURNAROUND AT BUDERIM GINGER FOR 2012.

Following a return to profitability in 2011 with a $1.8 m pre-tax profit, the group recorded an improved profit of $3m pre-tax for the year ended December 31, 2012.

Directors are pleased to have announced on 27 February 2012, the declaration of a 3 cent dividend, payable in May 2013, and look forward to improving returns to shareholders going forward.

Also pleasing to report is the reclassification of our debt funding to both current and non-current under the terms of our new funding arrangements with Rabobank Australia Limited. This reclassification, combined with further debt reductions has strengthened our balance sheet, and reflects confidence from our lender in the sustainability of the Group's turnaround performance and its strategic direction.

The improved result was achieved in spite of Baking's loss of a major component of business and a tough retail and export environment for both Ginger and Macadamias.

Highlights were:

> The Ginger business profitability improved from 2011 even though revenue was lower. Export revenue declined due to some stock shortages and more competition in the face of a strong Australian dollar. Local production was down due to the impact of the root disease pythium. The shortage was partially offset by increased production from our Fiji business and the importation of semi processed product from Fiji and other origins.

> The Macadamia business both in Australia and Hawaii both showed good profit growth. In Australia the crop was up 44% and our receivals increased even more as we improved our market share. Market prices stayed firm despite higher production and availability. MacFarms in Hawaii had a much better crop and together with strong prices, this delivered a significant improvement in profit.

> The Baking business had a very poor year following the loss of a large contract in 2011 which saw revenue decline by $10m in 2012. Management have been proactive in sourcing new business and are having some success and are confident we can improve volumes.

> The Tourism business had another tough year which saw a further drop in visitor numbers.
A significant upgrade of the facility was completed in 2012, and we expect to benefit from this and new cost saving initiatives.

THE YEAR AHEAD

Management will focus on returning the Baking business to profitability and looking at the long term options for this business.

Our Ginger business will face the continued challenge of a strong Australian dollar and the need to innovate.

The Australian Macadamia business outlook is good with the new season's crop expected to be equivalent to 2012. Prices are expected to ease a little. MacFarms has had a dry season which is expected to result in lower production from our orchard in 2013. We expect this to be at least partially offset by new contract processing with third parties.

Our tourism business is expected to show some improvement on the back of our own initiatives as well some recovery in the local tourism sector.

Longer term the Board will assess opportunities to focus on our core businesses of ginger and macadamias and enhance our overall market position and improve the returns to our shareholders. To achieve better shareholder returns, we have also considered whether Buderim should be part of a much bigger food business. While we have no set plans at this stage, we continue to keep an open mind.

It is with great sadness that that I also report to you the passing of John Wilkie, the General Manager of MacFarms in Hawaii. John did a fantastic job for us and will be sadly missed not only by us but the entire Macadamia industry.

I am also disappointed to report that CEO, Murray Richardson has resigned for personal family reasons. We thank Murray for his contribution and wish him well for the future

Thank you to all the team at Buderim Ginger who have contributed to the turnaround of the company.

TOYOTA TSUSHO CORPORATION

Toyota Tsusho Corporation was established in 1936 and today are one of largest trading companies in Japan. Toyota Tsusho Corporation strives to secure the finest ingredients from the most reliable suppliers around the world to meet the needs of our extensive global customer base. We have enjoyed a strong mutually beneficial relationship with Agrimac Macadamias, which is part of the Buderim Ginger group, since 1995, together making the Agrimac brand the No 1 industrial brand for macadamias in Japan.

BUDERIM SHIPPING TO

PRODUCER OF THE FINEST GINGER AND MACADAMIA FROM AUSTRALIA, BUDERIM GINGER IS CONTINUALLY EXPANDING ITS GLOBAL REACH.

CEO'S REPORT

MURRAY RICHARDSON

IT IS WITH MIXED EMOTIONS THAT I WRITE TO SHAREHOLDERS.

On the one hand, I am immensely pleased with this year's results and the continued improvement in the business, yet as I write to you it is also with some sadness that for family reasons I will be leaving the business. Subsequently, I will not be on hand to witness the continued improvement and growth in the Buderim business.

So much has been achieved over the last few years, evidenced by this year's positive results. The results further support the success that the Buderim Ginger team has attained in our core markets of Ginger and Macadamias. There's been a significant focus on getting the big things right first – a focus on protecting cash flow, margins and profits.

I'd like to thank each and every team member, from production to finance and administration, to marketing and dispatch. The team at Buderim has been great to work with.

At all times our focus was to protect and secure our business streams and to ensure we understand the markets we are participating in and to build stronger relationships with our customers. The task is not yet complete and there are more enhancements and improvements to come on line.

Across our businesses, we have challenged the way we operate and made sure we have questioned what we do and why, ensuring we are servicing the right customers and that the costs within the business are well understood and sustainable.

Consumer trends are always evolving and, in particular, the retail food industry has become even more competitive. During the year your company undertook extensive market research to confirm what our traditional customers thought of Buderim's ginger products, how they used them and how they might be improved. The research also sought to identify how younger consumers perceived Buderim and how they used ginger. It sought to determine new market opportunities into which we could grow the business and also where Buderim could begin to cultivate its next generation of consumers.

We have also questioned our involvement in the branded segment of the macadamia market. The majority of our business is the supply of high quality ingredients and while the branded market is enticing, the cost to service this market and the cash requirements to support it are questionable.

On the cost side, we have worked hard to identify an operating model for the Hawaiian macadamia business that is sustainable in a very challenging agricultural environment. Under John Willkie's guidance we established a cost base that has delivered profits for the last few seasons and we believe can be improved upon and is sustainable.

Our investments into processing efficiency, in both the Australian and Hawaiian macadamia businesses last year have worked well and saw our processing costs decline and profits improve. This allowed us to grow our share of the Australian macadamia crop, pay a leading price to our growers and maintain our margins.

Equally in our ginger operations, we have reorganised the way we source and process ginger. After several transitional years from Australian only sourcing to now sourcing ginger from a variety of countries, we have worked with our Fijian business to streamline the supply chain for ginger and better utilise our Australian assets, removing the requirement for a further investment in fixed assets in Fiji.

A study of our Australian ginger facility has enabled us to identify a series of process improvements that will help Buderim reduce our costs and improve the work environment for our employees.

While the majority of focus has been on the ginger and macadamia businesses, we continue to work on the baking and tourism assets. Baking is a challenging market segment and our progress has been slower than we anticipated. We are building strong customer relationships and have several new product development opportunities in the final stage of consideration or in the early stages of roll out which have the capacity to improve the returns from the business. In Tourism, a soft domestic and regional tourism market has challenged the team to find new ways of encouraging people into our facility.

Across the businesses we have sought to provide a safe workplace for our employees. The improvements made in 2012 and the continuing focus of the Board and Executive on safety across the business is designed to ensure we proactively provide a safe and secure work environment for all our employees.

While my time at Buderim Ginger has been short, I have enjoyed my association with the business and I wish the business well for the future.

WALKERS SHORTBREAD

Walkers Shortbread and Buderim Ginger have been partners for decades. Blending Buderim Ginger's clean, unique flavour with our famous shortbread has meant our ginger cookies have become one of the most successful lines of our global sales.

The two companies share the same high quality standards and focus on genuine natural foods for consumers' eating pleasure.

Just part of the reason we have both grown together over the years.

BÖSCH BODEN SPIES

At Bosch Boden Spies, our passion is food. Since 1913 we have distributed dried fruits, nuts, preserves, frozen fruits & vegetables and juice purees & concentrates from the world's leading producers to the major users in Europe. Buderim Ginger and Agrimac Macadamias have been two important long term supply chain partners and together we have developed the market for premium ginger and macadamias in Europe. We look forward to continuing our strong relationship into the future.

CORPORATE INFORMATION

ABN 68 010 978 800

ASX CODE BUG

DIRECTORS

Steve Morrow (Chairman)
Shane Templeton
George Vasili
Margaret Walker

CHIEF EXECUTIVE

Murray Richardson

COMPANY SECRETARY

Karon Rogers

SENIOR MANAGEMENT

Karon Rogers
(Chief Financial Officer)

Darren Burton
(General Manager – Agrimac)

John Wilkie
(General Manager – MacFarms of Hawaii)

Dave Dippelsman
(General Manager – Buderim Baking)

Corinne Mikkelsen
(General Manager – Tourism)

Craig Todd
(Ginger Marketing Manager)

AUDITORS

BDO Audit Pty Ltd

SOLICITORS

Thomsons Lawyers

BANKERS

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Westpac Banking Corporation

SHARE REGISTER

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Buderim Ginger™

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WORLD'S FINEST GINGER

Buderim Ginger

2012 ANNUAL REPORT
OUR GLOBAL MARKET

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The business of the meeting is outlined in the formal Notice of Meeting and Proxy Form which are enclosed with this report.

CONTENTS

DIRECTORS' REPORT

Your directors submit their report for the year ended 31 December 2012.

DIRECTORS

The names and details of the company's directors in office during the financial year 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, Multitrode Limited, 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 to fill a casual vacancy until election by shareholders at the 2012 AGM. 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

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

Ms Walker was appointed a director on 22 October 2012 to fill a casual vacancy until election by shareholders at the 2013 AGM. 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) and the Chairman of the DHA audit committee and 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.

RETIRED DIRECTOR

Stephen James Maitland, OAM, RFD, B.Ec, M.Bus, LLB, FCPA, FAICD, FCIS, FAIM, FFIN

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

Mr Maitland was a director from 26 February 2002 until his retirement effective 30 September 2012. Mr Maitland has over 35 years' experience in the banking and finance industries, and is the principal of the Brisbane based Corporate Advisory firm of Delphin Associates. He is a non-executive director of Australian Unity Ltd, RACQ Ltd, RACQ Insurance Ltd, Centrepoint Alliance Ltd, and of a number of private companies. He is also the Chairman of the Surf Life Saving Foundation Inc. Mr Maitland is 61 years of age. During the past 3 years Mr Maitland has held the following listed company directorships:

- Centrepoint Alliance Ltd (since 20 December 2011)

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.T. Templeton (1)	56,209
S.J. 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 6,819,959 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**
Post-Consolidation	
Basic earnings per share	8.91
Diluted earnings per share	8.91
Pre-Consolidation	
Basic earnings per share	2.23
Diluted earnings per share	2.23

There were no options issued or exercised during the period.

DIVIDENDS

Dividends paid in the year:

Directors declared a 2 cent dividend (post-consolidation) to be paid out of the profits for the year ended 31 December 2011. This dividend was paid on 31 May 2012.

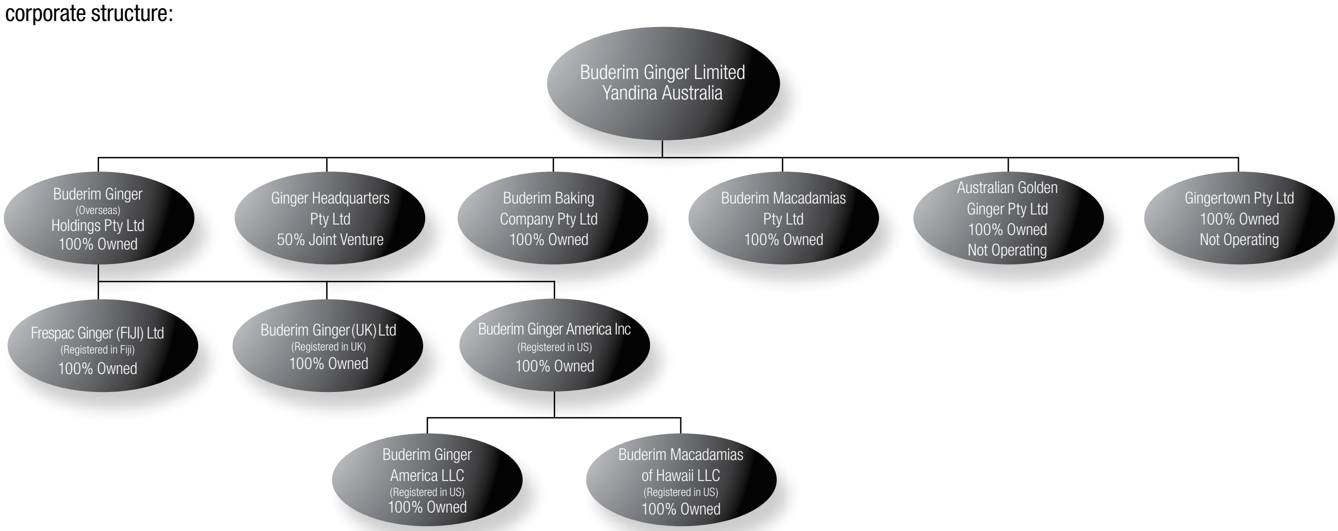
Dividends declared for current year:

Subsequent to the end of the reporting period, Directors have declared a 3 cent dividend per ordinary share for the year ended 31 December 2012 to be paid in May 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 year, which are outlined in the following illustration of the group's corporate structure:



NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities during the year 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 year.

EMPLOYEES

The consolidated entity employed 416 employees as at 31 December 2012 (2011: 400 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 96 and 109 employees respectively (2011: 89 and 96). The Australian ginger segment includes tourism and corporate staff members. Employees engaged within the baking segment at year-end were 42 (2011: 47). Employees employed within the Australian macadamia segment were 16 (2011: 16). The Hawaiian macadamia segment (including the orchard operation which engages a large proportion of seasonal labour) had 153 employees at year end (2011: 152).

OPERATING AND FINANCIAL REVIEW

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

	2012		2011	
	Revenues $'000	**Results* $'000**	Revenues $'000	Results* $'000
Business segments				
Ginger processing and distribution	**28,891**	**1,675**	30,761	1,421
Baking operations	**9,681**	**(1,782)**	19,773	(220)
Macadamia operations - Australia	**20,240**	**1,124**	15,229	781
Macadamia operations – Hawaii	**15,982**	**3,945**	10,834	1,719
Tourism operations	**3,877**	**216**	3,833	328
Total	**78,671**	**5,178**	80,430	4,029
Consolidated entity adjustments	**(1,501)**		(747)	
Corporate overhead expenses	**-**	**(2,223)**	-	(2,233)
Share of profit of joint controlled entities and associates	**-**	**53**	-	33
Consolidated entity income and profit from ordinary activities before income tax expense	**77,170**	**3,008**	79,683	1,829

	2012 $'000	2011 $'000
Geographic segments - revenue		
Australia	**60,084**	67,326
United States	**17,704**	13,380
Fiji	**5,622**	5,485
	83,410	86,191
Consolidated entity adjustments	**(6,240)**	(6,508)
Consolidated entity income	**77,170**	79,683

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

In Summary

Directors are pleased to report a before-tax profit of $3.0m for the year ended 31 December 2012, compared to the previous year's of $1.8m. The Group recorded a profit after tax of $1.8m (2011: $1.5m). EBITDA rose from $5.7m in 2011 to $6.8m. Earnings per share rose from 2.20 cents in 2011 to 2.23 cents in 2012 pre-consolidation, and on a post-consolidation basis, from 8.79 cents in 2011 to 8.91 cents in 2012.

The main highlights in the Group's 2012 result were:

- Solid profit improvement of $1.2m over 2011.
- Strong performance in the Macadamia businesses in Australia and Hawaii with profit increasing $2.5m over the prior year.

Ginger Segment. Although Ginger recorded a $1.9m or 6% drop in revenue, profits increased $254k on 2011. The revenue decline is attributed mainly to the strengthening Australia dollar with the majority of the sales deficit recorded in export. Nevertheless, strong unit pricing and production efficiencies achieved in 2011 continued to reap rewards into 2012.

The Australian ginger harvest remained well down on historic levels, however was in line with our forecast. The supply diversification strategy of sourcing overseas ginger to supplement the Australian harvest, and the application of non-Australian ginger to specific market segments, assisted in meeting continuing demand for the company's high quality product. The Fijian operation again contributed favourably to the Group's result with another good quality intake and strong sales.

At this stage, expectations are good for the Australian ginger intake in 2013 and we anticipate a continuation of high quality crop from the Fijian operation.

Macadamia Segment - Australia. – 2012 saw a significant growth in the Australian macadamia harvest from 27,000 tonnes to 39,000 tonnes of nut in shell which directly benefited this business. Revenue increased $5.0m or 33% from $15.2m to $20.2m whilst profits improved 44% from $781k in 2011 to $1.1m in 2012. Strong export demand for macadamias and high kernel prices have added to the result. Our expectation for the 2013 macadamia crop is similar to 2012 and the outlook for Agrimac remains positive.

Macadamia Segment - Hawaii. The Hawaiian operation recorded strong sales growth with a $5.1m or 48% increase from $10.8m in 2011 to $15.9m in 2012. Profitability improved by $2.2m or 129% from $1.7m in 2011 to $3.9m in 2012. This is the third consecutive year of profit improvement in this operation.

The strength of the 2012 harvest and strong international market prices, both contributed to this improved result. As noted in our previous announcement, the dry conditions resulting from spasmodic rain levels throughout the year, are expected to have an adverse impact on Hawaii's 2013/14 nut harvest. Discussions continue with other growers in Hawaii to improve utilisation of the factory processing capacity.

The investment in technological improvements in both the Australian and Hawaiian operations had a very positive result on processing efficiencies.

Baking Segment. The baking division recorded a $10.1m or 51% drop in sales from $19.8m to $9.7m, and a $1.6m drop in profit from a loss of $220k in 2011 to a loss of $1.8m in 2012. The downturn reflected in these figures was on the back of lost supply to the Brumby chains when the production was transferred to another producer. The company continues to work on the restructuring of the Baking business and is currently working with a number of customers to secure additional business. While the 2012 result is disappointing, management is confident of converting several of the current development proposals into long term contracts.

Baking's prospects for 2013 will include improvements in revenue and profit through the staged implementation of new product and business development.

Tourism Segment. *"The Ginger Factory"* tourist venue at the group's facility in Yandina recorded a $44k or 1% increase in revenue from $3.833m to $3.877m, but a $112k or 34% drop in profitability from $328k to $216k. This result was on the back of a 10% decline in visitor numbers across the year in a soft domestic tourism sector.

Despite the higher AUD and economic conditions globally, the Group again internally funded all ginger and macadamia harvests throughout 2012, met all amortisation debt and interest repayments (reducing interest-bearing liabilities by $2.3m as shown on the statement of financial position) and improving profitability with a $1.2m increase in net profit before tax.

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

New borrowing facilities were established during the year through which amounts owed to Rabobank Australia Limited under bill facilities can be reclassified as both current and long-term. The reclassification has had the impact of significantly improving the current ratio, and combined with continuing decline in interest-bearing liabilities, has assisted in strengthening the Group's balance sheet.

Directors are pleased to advise that on 26 February 2013, a final dividend for the year ended 31 December 2012 of 3.0 cents per ordinary share ($619k), was declared. This dividend will be paid in May 2013.

It is with regret that Directors announce the sudden death of Mr John Wilkie, the General Manager – MacFarms of Hawaii on the 6 February 2013. Mr Wilkie has 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 and in turning around the fortunes of the Group's Hawaiian business. 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.

It is also a disappointment to advise of, as announced in January 2013, the resignation of CEO, Mr Murray Richardson due to personal family reasons. Mr Richardson continued the positive turnaround of the Company's financial performance delivering a strong result for 2012 and is leaving the Group in good shape for continued improvement.

Shareholder Returns and Performance measurements

For the year ended		**2012**	**2012**	**2011**	**2010**	**2009**	**2008**
		Post Consolidation			**Pre Consolidation**		
EBIT ($'000)	(a)	**4,181**	**4,181**	3,137	(1,922)	(1,962)	4,960
EBITDA ($'000)	(a)	**6,858**	**6,858**	5,710	752	841	7,503
Basic earning per share (cents)		**8.91**	**2.23**	2.20	(4.80)	(4.26)	6.52
Dividend per share (cents)	(b)	**3.00**	**0.75**	0.50	-	-	2.50
Dividend payout ratio (%)	(b)	**33.7**	**33.7**	22.7	-	-	38.3
Return on assets (%)	(c)	**2.67**	**2.67**	2.23	(3.64)	(3.45)	2.4
Return on equity (%)	(d)	**5.34**	**5.34**	4.49	(9.19)	(8.79)	5.73
Debt / equity ratio (%)	(e)	**57.2**	**57.2**	65.1	111.6	113.6	93.8
Gearing ratio (%)	(f)	**50.0**	**50.0**	50.3	60.4	60.7	58.2
Current ratio (%)	(g)	**156**	**156**	102	80	91	153
Net tangible asset backing (cents)	(h)	**1.48**	**37**	37	59	66	80

(a) EBIT and EBITDA are used a 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. Note the dividend ratio for 2008 is based on profit inclusive of the discount on acquisition of MacFarms assets of $2.0m which is a non-cash item.

(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 classification of all Rabobank borrowings was current liabilities in 2009, 2010 and 2011. 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 a decrease in cash and cash equivalents in 2012 of $2.4m. Cash inflows from operating activities were $1.4m lower than in the prior year due mainly to lower crop insurance income of $1.3m. Interest costs were $226k down on 2011 as a result of the continual reduction of borrowings with interest-bearing liabilities reducing by $2.3m over the year. Goods and services tax received of $100k compares to a figure of $1.5k paid in the prior year. This difference relates to a change in sales mix within the group with much lower Baking revenues recorded in 2012 than in the prior year. The majority of GST obligations are incurred within the Baking segment.

Investment activities included capital expenditure of $2.1m, the main projects detailed below:

Ginger Segment

- crystalliser restructuring
- syrup building and cool room roof replacement
- recirculated water sanitation system

Baking Segment

- new pastry line

Macadamia Segment

- laser sorters
- silo and conveyor

Financing activities show borrowing under insurance premium funding arrangements. Outflows include loan amortisation and hire purchase payments to Rabobank Australia, insurance premium repayments to Westpac Banking Corporation and an equity dividend to shareholders for the year ended 31 December 2011.

In 2012, as in the three prior years, the Australian and Fiji ginger harvests, and the Australian and Hawaiian macadamia harvests, were all funded internally. The funds required to fund the group's ginger and macadamia harvests are in excess of $20m over a 12 month period depending upon seasonal factors.

Asset and capital structure

	2012 TOTAL OPERATIONS $'000	2011 TOTAL OPERATIONS $'000	2010 TOTAL OPERATIONS $'000
NET GEARING			
Debts			
Interest bearing loans and borrowings	**17,403**	19,712	27,107
Cash & short term deposits	**(1,230)**	(3,295)	(1,638)
Net Debt	**16,173**	16,417	25,469
Total equity	**34,483**	34,333	28,333
Total capital employed	**50,656**	50,750	53,802
	31.9%	32.3%	47.3%
ASSETS FUNDED BY EXTERNAL STAKEHOLDERS			
Total assets	**68,898**	69,128	71,617
Total liabilities	**34,415**	34,795	43,284
	50.0%	50.3%	60.4%
DEBT/EQUITY			
Total equity	**34,483**	34,333	28,333
Intangibles	**(4,033)**	(4,032)	(4,036)
	30,450	30,301	24,297
Interest bearing loans and borrowings	**17,403**	19,712	27,107
	57.2%	65.1%	111.6%

All ratios in the above table, demonstrate consistent improvement in the Group's net gearing position with a pleasing reduction in interest-bearing debt over the reporting period.

REVIEW OF FINANCIAL CONDITION (CONTINUED)

Total assets were reduced by $2.750m on the revaluation of the Yandina land to fair market value. This devaluation did not have an impact on profitability, but did reduce the asset revaluation reserve held in equity. Similarly a revaluation to fair market value of the Fiji land was undertaken resulting in a revaluation increment of $339k. Again, this valuation did not have an impact of profitability, but did increase the asset revaluation reserve held in equity.

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 have been reclassified as either current or long term depending upon the term of the agreement. In the three prior comparative periods all debt to Rabobank Australia Limited had been classified as current due to the short time-frame of lending facilities. The bills classified as non-current have a 3 year term.

In both the ginger and macadamia segments, the lead time between the funding of harvests and recovery of costs through conversion/value adding and sales is quite lengthy. However, despite the high annual crop costs equating to between $20m to $23m, the Group has managed to internally fund all harvests for a number of years, in parallel with continual debt reductions.

Shares issued during the year

During the 12 months ended 31 December 2012, there were no new shares issued. However, a 1:4 consolidation occurred in May 2012. Post consolidation the Company held 20,648,694 ordinary shares on issue.

Profile of Debts

The profile of the Group's debt finance below reflects the reclassification of a portion of bill facilities from current to long-term. In the comparative period, all bill facilities had been classified as current liabilities due to the facility expiry date of 31 December 2011. As demonstrated below, bill facilities provided by Rabobank were reduced by $2.7m during 2012, and over the last two financial periods, total interest-bearing debt has been reduced by $10m.

	2012 $'000	2011 $'000	2010 $'000
CURRENT			
Bank Overdraft	**288**	-	377
Bank bill facility	**8,061**	19,054	25,493
Bank loans	**422**	581	1,136
	8,771	19,635	27,006
NON-CURRENT			
Bank loans	**8,331**	-	-
	301	77	101
	8,632	77	101
	17,403	19,712	27,107

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.

At 31 December 2012, the Group held no foreign exchange contracts designated as hedges of expected future sales to customers in the United Kingdom as sales into the United Kingdom are now sold in AUD through a distributor. In 2011 foreign exchange contracts designated as hedges of expected future sales to customers in the United Kingdom had varying maturity dates up to 5 December 2012 at an average AUD/GBP exchange rate of $0.6231 with an AUD equivalent of $1,000,000.

At 31 December 2012, the Group held foreign exchange contracts designated as hedges of expected future sales to customers in the United States of America with varying maturity dates up to 5 July 2013 (2011: 14 September 2012). The average AUD/USD exchange rate of these contracts is $0.9734 (2011: $0.9829) with an AUD equivalent of $508,000 (2011: $1,400,000).

At 31 December 2012, the Group held no foreign exchange contracts designated as hedges of expected future sales in Euro's. In 2011 a foreign exchange contract designated as a hedge of an expected future sale in Euro's had a maturity date of 15 April 2012 at an AUD/EUR exchange rate of this contract of $0.7175 with an AUD equivalent of $34,000.

At 31 December 2012 the Group held foreign exchange contracts designated as hedges of future purchases from overseas suppliers with varying maturity dates up to 31 October 2013 (2011: 5 December 2012) with an average AUD/USD exchange rate of $1.0096 (2011: $0.9949) and an AUD equivalent of $1,087,000 (2011: $1,468,000).

At 31 December 2012 the Group held foreign exchange contracts designated as hedges of future intra-group debt reductions with varying maturity dates up to 28 March 2013 (2011: 25 May 2012). The average AUD/USD exchange rate of these contracts is $0.9945 (2011: $0.9954) with an AUD equivalent of $100,553 (2011: $914,000).

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

At 31 December 2012, the Group had no interest rate swap agreements in place (2011: Nil).

Included in the bill facility at 31 December 2012, are borrowings of USD $4,150,000 (AUD $3,953,510) reduced from USD $4,548,234 (AUD $4,475,134) as at 31 December 2011. The USD loan is 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Mr John Wilkie, the General Manager – MacFarms of Hawaii passed away suddenly on the 6 February 2013. It is anticipated that the Company will rely on its internal succession planning to continue expatriate support of the MacFarms operation.

In January 2013, the CEO, Mr Murray Richardson tendered his resignation due to personal family reasons. Mr Richardson has advised his resignation is effective 7 April 2013.

Subsequent to the end of the reporting period, Directors have declared that a dividend of 3.0 cents per ordinary share be paid for the year ended 31 December 2012. This dividend will be paid in May 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 with moderate growth in turnover, net profit before tax and EBITDA.

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 year, 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 willful 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 year 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 31 December 2012 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 company wide, 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.

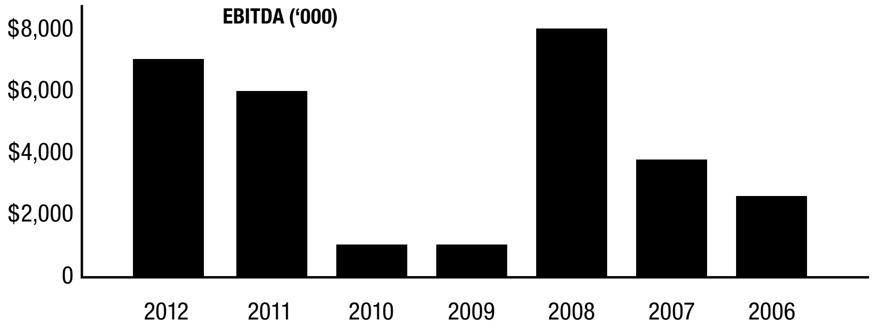
The company has predetermined benchmarks (generally based on year on year improvement) which must be met in order to trigger payments under the incentive scheme. The achievement of revenue targets does not warrant a bonus payment unless a minimum level of profitability target has also been achieved. 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.

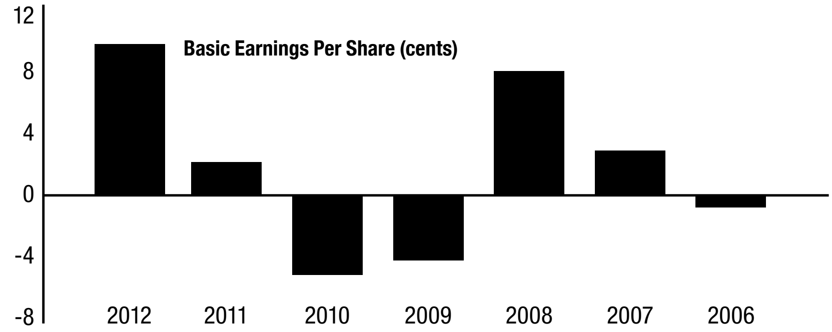
On an annual basis, consideration is given to the actual performance of the individual executive against KPIs, and the overall performance of the company. These factors are taken into account when determining the amount, if any, of incentive to be paid to each executive.

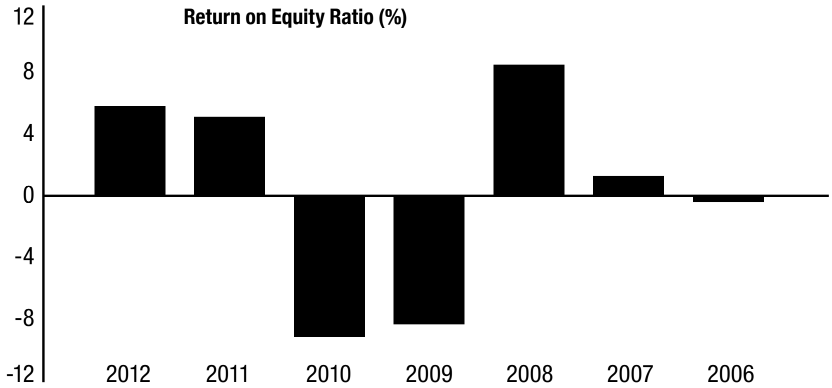
Annual incentive payments available for executives across the company are subject to the approval of the Remuneration Committee. Payments made are delivered as a cash bonus. This method of assessment was chosen because it provides the committee with an objective assessment of the individual's performance.

COMPANY PERFORMANCE

The graphs below show the performance of the company as reflected in the movement in the Group's EBITDA, earnings per share and return on equity for the past seven years (including the current period).







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

Shareholder Wealth

	31 DECEMBER 2012	31 DECEMBER 2011	31 DECEMBER 2010	31 DECEMBER 2009	31 DECEMBER 2008	31 DECEMBER 2007
Share price (cents)						
Pre-consolidation	17	13	20	32	40	55
Post-consolidation	67*	-	-	-	-	-
Dividend paid per share (cents)	-**	0.5	-	-	2.5	2

* 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.
* *Subsequent to the end of the reporting period, Directors have declared that a 3.0 cent dividend per ordinary share be paid for the financial year ended 31 December 2012.

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	Proportion of remuneration that is performance based %
		Cash salary and fees	Cash bonus	Non Monetary	Super	LSL				
Morrow, S 2012	*Chairman (Non- executive)*	65,000	-	-	5,850	-	-	-	70,850	-
2011	*(from 29 April 2011)*	51,667	-	-	4,650	-	-	-	56,317	-
Templeton, S 2012	*Director (Non- executive)*	40,000	-	-	3,600	-	-	-	43,600	-
2011		35,000	-	-	3,150	-	-	-	38,150	-
Vasili, G 2012	*Director (Non- executive)*	40,000	-	-	3,600	-	-	-	43,600	-
2011	*(appointed 1 July 2011)*	17,500	-	-	1,575	-	-	-	19,075	-
Walker, M 2012	*Director (Non- executive) (appointed 22 October 2012)*	10,000	-	-	900	-	-	-	10,900	-
2011		-	-	-	-	-	-	-	-	-
Maitland, S 2011	*Director (Non- executive) (retired 30 September 2012)*	33,333	-	-	2,700	-	-	-	36,033	-
2011		43,333	-	-	3,900	-	-	-	47,233	-
Total Directors										
2012		188,333	-	-	16,650	-	-	-	204,983	-
2011		147,500	-	-	13,275	-	-	-	160,775	-

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				
O'Grady, R 2012	*Chief Executive Officer (to 27 April 2012)*	210,400	-	9,923	-	-	-	-	220,323	-
2011		420,000	-	28,124	-	-	-	-	448,124	-
Richardson, M 2012	*Chief Executive Officer (from 30 April 2012)*	259,590	-	-	21,695	4,037	-	-	285,322	-
2011		-	-	-	-		-	-	-	-
Rogers, K 2012	*Company Secretary/ CFO*	143,078	-	30,771	13,559	5,309	-	-	192,717	-
2011		137,846	10,000	30,679	13,800	2,142	-	-	194,467	5.14%
Wilkie, J 2012	*General Manager - MacFarms*	124,226	-	17,411	2,222	2,425	-	-	146,284	-
2011		130,332	15,000	43,108	3,466	2,030	-	-	193,936	7.73%
Dipplesman, D 2012	*General Manager - Baking*	130,844	-	31,686	10,944	2,149	-	-	175,623	-
2011		-	-	-	-	-	-	-	-	-
Cashin, D 2012	*General Manager - Baking (to 23 December 2011)*	-	-	-	-	-	-	-	-	-
2011		135,876	17,150	26,482	12,945	2,673	-	-	195,126	-
Burton, D 2012	*General Manager - Agrimac*	128,366	-	27,118	10,742	2,163	-	-	168,389	-
2011		124,683	7,500	22,577	11,104	2,044	-	-	167,908	4.47%
Mikkelsen, C 2012	*General manager - Tourism (from 15 June 2011)*	104,209	-	624	8,695	1,455	-	-	114,984	-
2011		54,322	2,500	374	4,365	760	-	-	62,321	4.01%
Todd, C 2012	*Ginger Sales & Marketing Manager*	133,784	-	22,670	11,250	2,922	-	-	170,626	-
2011		107,788	10,000	17,438	9,952	1,666	-	-	146,844	6.81%
Knight, P 2012	*Ginger Operations Manager*	122,332	-	34,362	12,560	2,541	-	-	171,795	-
2011		-	-	-	-	-	-	-	-	-
Seymore, N 2012	*General Manager Tourism (to 6 July 2011)*	-	-	-	-	-	-	-	-	-
2011		46,811	-	12,599	3,921	831	-	33,096	97,258	-
Total Managers										
2012		1,356,829	-	174,565	91,667	23,001	-	-	1,646,063	-
2011		1,157,658	62,150	181,381	59,553	12,146	-	33,096	1,505,984	4.13%

Notes

- 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 executive 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.
- P. Knight was not classified as the key management personnel in the comparative year.

End of Audited Remuneration Report

DIRECTORS' MEETINGS

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

	DIRECTORS' MEETINGS		AUDIT & COMPLIANCE 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.J. Morrow	12	12	-	-	2	2
S.J. Maitland (retired 30/9/2012)	9	9	1	1	-	-
S.T. Templeton	12	12	2	2	-	-
G. Vasili	12	11	-	-	2	2
M. Walker (appointed 22/10/2012)	3	2	1	1	-	-

Notes

- R. O'Grady, CEO (1 January 2012 to 27 April 2012) was in attendance at the February 2012 audit & compliance committee meeting and January 2012 remuneration committee meeting.
- M.R. Richardson, CEO (30 April 2012 to 31 December 2012) was in attendance at the August 2012 audit & compliance committee meeting and the December remuneration 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 year were:

AUDIT & COMPLIANCE	REMUNERATION
S.J. Maitland (chair 1 January 2012 to 30 September 2012)	S.J. Morrow (chair 1 January 2012 to 31 December 2012)
M. Walker (chair 22 October 2012 to 31 December 2012)	G. Vasili (member 1 January 2012 to 31 December 2012)
S.T. Templeton (member 1 January 2012 to 31 December 2012)	

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 16.

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	$60,844

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, 27 February 2013

BDO

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

As lead auditor of Buderim Ginger Limited for the year ended 31 December 2012, 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 of Buderim Ginger Limited and the entities it controlled during the period.

PA Gallagher

Director

BDO Audit Pty Ltd

Brisbane, 27 February 2013

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.

CORPORATE GOVERNANCE STATEMENT CONTINUED

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, appointed on 22 October, 2012 to fill a casual vacancy until election by shareholders at the 2013 Annual General Meeting, 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.

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 31 DECEMBER 2012	NOTES	CONSOLIDATED	
		2012	2011
		$'000	$'000
CURRENT ASSETS			
Cash and cash equivalents	10	**1,230**	3,295
Trade and other receivables	11	**10,012**	12,678
Inventories	12	**22,194**	14,272
Current tax assets		**187**	275
Other current assets	13	**846**	804
Derivatives		**28**	16
TOTAL CURRENT ASSETS		**34,497**	31,340
NON-CURRENT ASSETS			
Investment accounted for using the equity method	15	**1,186**	1,213
Property, plant and equipment	16	**25,727**	28,801
Deferred tax assets	7	**3,455**	3,742
Intangible assets	17	**4,033**	4,032
TOTAL NON-CURRENT ASSETS		**34,401**	37,788
TOTAL ASSETS		**68,898**	69,128
CURRENT LIABILITIES			
Trade and other payables	18	**12,501**	10,103
Interest-bearing liabilities	19	**8,771**	19,635
Short-term provisions	20	**852**	812
Current tax liabilities		**-**	131
Derivatives		**36**	79
TOTAL CURRENT LIABILITIES		**22,160**	30,760
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	19	**8,632**	77
Deferred tax liabilities	7	**3,578**	3,912
Long-term provisions	20	**45**	46
TOTAL NON-CURRENT LIABILITIES		**12,255**	4,035
TOTAL LIABILITIES		**34,415**	34,795
NET ASSETS		**34,483**	34,333
EQUITY			
Contributed equity	21	**28,044**	28,044
Reserves		**3,531**	4,808
Retained earnings		**2,908**	1,481
TOTAL EQUITY		**34,483**	34,333

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDING 31 DECEMBER 2012	NOTES	CONSOLIDATED	
		2012	2011
		$'000	$'000
INCOME			
Sale of goods		**76,102**	77,044
Cost of sales		**(56,220)**	(57,885)
Gross profit		**19,882**	19,159
Rental revenue		**229**	218
Other income	6 (a)	**826**	2,317
Finance revenue		**13**	104
Total income		**20,950**	21,798
Share of profit of jointly controlled entity		**53**	33
Selling and distribution expenses		**(7,858)**	(9,857)
Marketing expenses		**(288)**	(344)
Tourism expenses		**(2,195)**	(2,019)
Administration expenses		**(6,468)**	(6,370)
PROFIT BEFORE TAX AND FINANCE COSTS		**4,194**	3,241
Finance costs	6 (b)	**(1,186)**	(1,412)
PROFIT BEFORE INCOME TAX		**3,008**	1,829
Income tax expense	7	**(1,168)**	(288)
NET PROFIT FOR THE YEAR		**1,840**	1,541
OTHER COMPREHENSIVE INCOME			
Exchange difference on translation of foreign operations		**299**	(534)
Changes in fair value of cash flow hedges		**55**	(43)
Changes in fair value of land		**(2,411)**	-
Income tax on other comprehensive income items		**780**	-
Total other comprehensive income/(loss) net of tax		**(1,277)**	(577)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**563**	964
Total net profit is attributable to:			
Equity holders of Buderim Ginger Limited		**1,840**	1,541
Non-controlling interests		**-**	-
		1,840	1,541
Total comprehensive income is attributed to:			
Equity holders of Buderim Ginger Limited		**563**	964
Non-controlling interests		**-**	-
		563	964
Basic earnings per share (cents per share)	8	**8.91**	8.79 *
Diluted earnings per share (cents per share)	8	**8.91**	8.79 *

*The earnings per share in the comparative year has been restated as if the share consolidation applied to that year.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2012	NOTES	CONSOLIDATED	
		2012	2011
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**78,923**	77,289
Payments to suppliers and employees (inclusive of GST)		**(75,789)**	(74,791)
Other receipts		**1,108**	2,569
Interest received		**13**	104
Interest and other finance costs paid		**(1,186)**	(1,412)
Income tax received		**-**	57
Income tax paid		**(552)**	(110)
Receipt of government grant		**-**	248
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	**2,517**	3,954
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**-**	1,900
Purchase of property, plant and equipment		**(2,084)**	(1,829)
Sale of outside equity interest		**-**	64
Acquisition of outside equity interest		**-**	(97)
Trademark registration		**(3)**	(1)
Dividend received from joint venture		**80**	40
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(2,007)**	77
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares under rights issue		**-**	4,956
Proceeds from borrowings		**1,730**	1,057
Repayments of borrowings		**(4,180)**	(7,973)
Payment of equity dividend (net of dividend reinvestment)		**(413)**	-
Repayment of finance lease principal		**-**	(37)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(2,863)**	(1,997)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,353)**	2,034
Cash and cash equivalents at beginning of period		**3,295**	1,261
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	**942**	3,295

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012						
CONSOLIDATED	**Contributed Equity**	**Reserves**			**Retained Earnings**	**Total Equity**
		Asset Revaluation	**Foreign Currency Translation**	**Cash Flow Hedges**		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 1 January 2011	23,008	6,138	(733)	(20)	(60)	**28,333**
Total comprehensive income/(loss) for the year						
Net profit for year	-	-	-	-	1,541	**1,541**
Other comprehensive income/(loss)						
Exchange difference on translation of foreign operations	-	-	(534)	-	-	**(534)**
Change in fair value of cash flow hedges	-	-	-	(43)	-	**(43)**
Total comprehensive income/(loss) for the year	-	-	(534)	(43)	1,541	**964**
Transactions with owners in their capacity as owners						
Shares issued on acquisition of non-controlling interest	80	-	-	-	-	**80**
Shares issued under rights issue	4,767	-	-	-	-	**4,767**
Shares issued on placement of rights issue shortfall	189	-	-	-	-	**189**
As at 31 December 2011	28,044	6,138	(1,267)	(63)	1,481	**34,333**
Total comprehensive income/(loss) for the year						
Net profit for year	-	-	-	-	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 year	-	(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**

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial report of Buderim Ginger Limited for the year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 27 February 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 2011, 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 (Rabobank) reverted to both current and long term on the establishment of new borrowing facilities during the financial year ended 31 December 2012. In the comparative period all bill facilities provided by Rabobank Australia Limited has been classified as current due to an expiry date of 31 December 2011. The company was not in breach of ratio covenants established under its debt facilities at the end of the 2012 or 2011 reporting periods.

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.

(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 consolidated financial statements comprise the financial statements of Buderim Ginger Limited and its subsidiaries as at 31 December each year (the 'Group').

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.

Non-controlling interests are allocated their share of net profit and other comprehensive income in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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

The Group has an interest in a joint venture that is a jointly controlled entity. A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The Group recognises its interest in jointly controlled entities using the equity method. Under the equity method, the share of the profits or losses of the jointly controlled entities is recognised in profit or loss and the share of post-acquisition movements in reserves is recognised in other comprehensive income. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in a joint venture entity.

(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, Buderim Ginger America, LLC, 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 year.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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 2012 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 reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

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 1(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.

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

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

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 fulfillment 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 year ended 31 December 2012. 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.

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

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,

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Cash flow hedges (continued)

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 and 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.

Consolidation Standards

A package of consolidation standards are effective for annual periods beginning or after 1 January 2013. Information on these new standards is presented below. The Group's management have yet to assess the impact of these new and revised standards on the Group's consolidated financial statements.

AASB 10 Consolidated Financial Statements (AASB 10)

AASB 10 supersedes AASB 127 *Consolidated and Separate Financial Statements* (AASB 127) and Interpretation 112 *Consolidation – Special Purpose Entities.* It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

AASB 11 Joint Arrangements (AASB 11)

AASB 11 supersedes AASB 131 *Interests in Joint Ventures* (AASB 131). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

AASB 12 Disclosure of Interests in Other Entities (AASB 12)

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Consequential amendments to AASB 127 and AASB 128 *Investments in Associates and Joint Ventures* (AASB 128).

AASB 127 now only deals with separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard.

Amendments to AASB 101 Presentation of Financial Statements (AASB 101 Amendments)

The AASB 101 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

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. 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 year 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 31 December 2012, there were no Group borrowings at a fixed rate of interest (2011: 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 6% (2011: 15%) of the Group's sales are denominated in currencies other than the functional currency of the operating unit making the sale, whilst almost 82% (2011: 75%) 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. 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 31 December 2012, the Group had hedged 100% of its foreign currency sales for which firm commitments existed at the end of the reporting period, extending to 15 July 2013.

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.

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. Prior to the establishment of revised borrowing facilities with Rabobank Australia during 2012, all amounts owed to Rabobank Australia were classified as current liabilities due to covenant breaches in accordance with the requirements of AASB 101.

As at 31 December 2012 the company was not in breach of ratio covenants established under its debt facilities.

Irrespective, significant improvement in this ratio over the reporting period is evident below:

Summary of quantitative data	2012 $'000	2011 $'000
Current assets	**$34,497**	$31,340
Current liabilities	**$22,160**	$30,760
Surplus / (deficit)	**$12,337**	580

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 - 2012

FINANCIAL LIABILITIES	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	< 6 MTHS $'000	6- 12 MTHS $'000	1-3 YEARS $'000	> 3 YEARS $'000
NON-DERIVATIVES						
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	-

Maturity analysis - Group - 2011

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	19,712	20,276	20,276	-	-	-
Trade and other payables	10,101	10,101	10,101	-	-	-
TOTAL NON-DERIVATIVES	29,813	30,377	30,377	-	-	-

Refer to Note 19 Financial Liabilities for further details.

The Group has committed borrowing facilities and other lines of credit that it can access to meet liquidity needs. There are no instruments in place which require accelerated repayment terms.

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 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.

(ii) Significant accounting estimates and assumptions

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

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. 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.

Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. Due to the large number of debtors, this assessment is either based on supportable past collection history and historical write-offs of bad debts and/or known occurrences debtors' inability to honour commitments.

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 year ending 31 December 2012 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 year, 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 years ended 31 December 2012 and 2011 is as follows:

REPORTABLE SEGMENTS	Ginger		Baking		Tourism		Macadamias Australia		Macadamias Hawaii		Total	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000	**2012 $'000**	2011 $'000	**2012 $'000**	2011 $'000	**2012 $'000**	2011 $'000	**2012 $'000**	2011 $'000
Income												
Sales of goods to external customers	**28,157**	29,819	**9,660**	19,732	**3,648**	3,615	**20,168**	15,085	**14,469**	8,793	**76,102**	77,044
Sales of goods to internal customers	**493**	515	**-**	-	**-**	-	**11**	65	**997**	167	**1,501**	747
Other revenue / income	**241**	427	**21**	41	**229**	218	**61**	79	**516**	1,874	**1,068**	2,639
Total segment revenue	**28,891**	30,761	**9,681**	19,773	**3,877**	3,833	**20,240**	15,229	**15,982**	10,834	**78,671**	80,430
Consolidated entity adjustments											**(1,501)**	(747)
Total Income											**77,170**	79,683
Results												
Segment result	**1,675**	1,421	**(1,782)**	(220)	**216**	328	**1,124**	781	**3,945**	1,719	**5,178**	4,029
Share of profit/(loss) of jointly controlled entities'	**-**	-	**-**	-	**53**	33	**-**	-	**-**	-	**53**	33
Corporate overhead expenses	**(898)**	(1,005)	**(289)**	(556)	**(103)**	(100)	**(569)**	(345)	**(364)**	(227)	**(2,223)**	(2,233)
Contribution to group profit/(loss)	**777**	416	**(2,071)**	(776)	**166**	261	**555**	436	**3,581**	1,492	**3,008**	1,829
Finance costs	**673**	761	**170**	302	**47**	69	**2**	(61)	**294**	341	**1,186**	1,412
Finance revenue	**(13)**	(104)	**-**	-	**-**	-	**-**	-	**-**	-	**(13)**	(104)
Depreciation & amortisation	**1,116**	1,076	**614**	643	**202**	172	**332**	303	**413**	379	**2,677**	2,573
EBITDA	**2,553**	2,149	**(1,287)**	169	**415**	502	**889**	678	**4,288**	2,212	**6,858**	5,710
Profit before income tax											**3,008**	1,829
Income tax (expense)/benefit											**(1,168)**	(288)
Net profit for the year											**1,840**	1,541
Inventory write-downs	**212**	131	**15**	16	**-**	-	**-**	-	**146**	17	**373**	164

Geographic location	Australia		Fiji		USA		Total	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000	**2012 $'000**	2011 $'000	**2012 $'000**	2011 $'000
Sales of goods to external customers	**56,790**	62,073	**2,770**	3,639	**16,155**	11,332	**75,715**	77,044
Sales of goods to internal customers	**2,451**	4,615	**2,774**	1,741	**1,015**	152	**6,240**	6,508
Other revenue / income	**843**	638	**78**	105	**534**	1,896	**1,455**	2,639
Total segment revenue	**60,084**	67,326	**5,622**	5,485	**17,704**	13,380	**83,410**	86,191
Consolidated entity adjustments							**(6,240)**	(6,508)
Total Income							**77,170**	79,683
Non-Current Assets (excluding deferred tax)	**24,385**	27,681	**1,024**	723	**5,537**	5,642	**30,946**	34,046

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

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

During the year ended 31 December 2012, revenues of $9,306,163 (2011: $10,535,000) were derived from sales to Woolworths through the ginger and baking segment. In total the 2012 revenue recorded through sales to Woolworths amounted to more than 10% of the Group's revenues from external customers.

Similarly revenues of $8,319,000 (2011: $8,368,000) were derived from sales to Coles through the ginger and Australian macadamia segment. In total the 2012 revenue recorded through sales to Coles amounted to more than 10% of the Group's revenue from external customers.

During 2012, less than 10% of the Group's revenue was derived through sales to Bidvest, whereas greater than 10% had been derived through the baking segment in prior reporting period (2011: $9,208,000).

6. INCOME AND EXPENSES

	CONSOLIDATED	
	2012 $'000	2011 $'000
(a) Other income		
Gain on disposal of property, plant and equipment	**-**	-
Crop Insurance	**510**	1,847
Foreign Exchange gains	**50**	107
Sundry income	**168**	301
Government grants	**98**	62
Total other income	**826**	2,317
(b) Finance costs		
Bill facility	**992**	1,249
Bank loans and overdraft	**194**	163
Total finance costs	**1,186**	1,412
(c) Depreciation and amortisation		
Amortisation of non-current assets		
Plant and equipment under lease	**-**	-
Depreciation of non-current assets		
Plant and equipment	**2,328**	2,254
Buildings	**349**	319
	2,677	2,573
Total depreciation and amortisation	**2,677**	2,573
(d) Operating lease payments		
Minimum lease payments on operating leases	**666**	715
(e) Employee benefits expense		
Wages and salaries	**15,315**	14,709
Workers compensation costs	**505**	658
Superannuation costs - defined contribution	**822**	882
Cost of redundancies and terminations	**20**	174
	16,662	16,423
(f) Foreign currency		
Net foreign currency losses/(gains) realised	**52**	117
Net foreign currency losses/(gains) unrealised	**113**	(207)
	165	(90)
(g) Inventory write-downs		
Finished goods	**373**	164

7. INCOME TAX

	CONSOLIDATED	
	2012 $'000	2011 $'000
Major components of income tax expense/(benefit) for the years ended 31 December 2012 and 2011 are:		
Statement of Comprehensive Income		
Current income tax		
Current income tax expense	**1,146**	575
Adjustments in respect of current income tax of previous years	**-**	(56)
Deferred income tax		
Relating to origination and reversal of temporary differences	**22**	(231)
	1,168	288

A reconciliation of income tax expense/(benefit) to accounting profit/(loss) before income tax at the statutory income tax rate for the years ended 31 December 2012 and 2011 is as follows:

Accounting profit/(loss) before tax and non-controlling interest	**3,008**	1,829
At the statutory income tax rate of 30% (2011: 30%)	**902**	549
Adjustments in respect on current income tax of previous years	**-**	1
Research and development deductions	**(39)**	(35)
Depreciation of buildings	**62**	19
Tax offset for franked dividends	**-**	-
Tax adjustment due to tax in foreign jurisdictions	**404**	136
Non assessable income from foreign operations	**(156)**	(155)
Other	**(5)**	(203)
	1,168	288

A large portion of before tax profit was earned in the United States where the combined Federal and State tax rate is 38.5%. Fiji tax rate is currently 28%. However, the taxable income associated with 50% of Fiji's export sales are subject to a tax free concession.

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 31 December 2012, there is no recognised or unrecognised deferred income tax liability (2011: $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 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 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

Movement in deferred tax for the year ended 31 December 2011	CONSOLIDATED $'000				
	REVALUATION OF LAND	ACCELERATED DEPRECIATION	EMPLOYMENT BENEFITS	TAX LOSSES TO OFFSET/ OTHER	CONSOLIDATED TOTAL
Deferred tax liabilities					
Opening balance	(2,912)	(208)	-	(104)	(3,224)
Recognition in profit	-	(653)	-	(35)	(688)
CLOSING BALANCE	(2,912)	(861)	-	(139)	(3,912)
Deferred tax assets					
Opening balance	-	-	16	2,807	2,823
Recognition in profit	-	-	(519)	1,438	919
CLOSING BALANCE	-	-	(503)	4,245	3,742

8. EARNINGS PER SHARE	CONSOLIDATED	
	2012	2011
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/(loss) attributable to ordinary shareholders of parent ($'000)	**1,840**	1,541
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share.	**20,648,694**	70,147,230
Basic earnings per share – post-consolidation (cents per share)	**8.91**	8.79
Basic earnings per share – pre-consolidation (cents per share)	**2.23**	2.20

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	
	2012 $'000	2011 $'000
Declared and paid during the year:	**413**	-
Dividends on ordinary shares		
Dividend proposed subsequent to year end:		
Dividends on ordinary shares	**619**	413
Franking credit balance		
The amount of franking credits available for future reporting periods are:		
- franking account balance as at the end of the financial year at 30% (2010: 30%)	**-**	150
- franking credits that will arise from the refund of income tax paid as at the end of the financial year	**-**	-
- franking debits that will arise from the payment of dividends proposed prior to year end	**-**	-
	-	150

10. CASH AND CASH EQUIVALENTS	CONSOLIDATED	
	2012 $'000	2011 $'000
Reconciliation of cash and cash equivalents	**-**	-
Cash balance comprises:		
- cash at bank and on hand	**1,230**	3,295
- overdraft	**(288)**	-
Closing cash balance	**942**	3,295

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 $1,052 in short-term deposits as at 31 December 2012 (2011: $5,140).

Reconciliation of the profit after tax to the net cash flows from operations		
Net profit/(loss)	**1,840**	1,541
Adjustments for:		
Depreciation of non-current assets	**2,677**	2,573
Amortisation of non-current assets	**-**	-
Net (profit)/loss on disposal of property, plant and equipment	**(21)**	-
Share of profit of jointly controlled entities	**(53)**	(33)
Other	**(1)**	(2)
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	**2,091**	185
(Increase)/decrease in inventory	**(7,922)**	1,494
(Increase)/decrease in deferred tax assets	**287**	(121)
(Increase)/decrease in prepayments and other receivables	**519**	(148)
(Decrease)/increase in trade and other creditors	**2,658**	(1,668)
(Decrease)/increase in tax provision	**(43)**	(400)
(Decrease)/increase in deferred income tax liability	**446**	688
(Decrease)/increase in employee benefits	**39**	(155)
Net cash flow from operating activities	**2,517**	3,954

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 2012 or 2011.

11. TRADE AND OTHER RECEIVABLES (CURRENT)	CONSOLIDATED	
	2012	2011
	$'000	$'000
Trade receivables (i)	**9,784**	11,816
Deposits and other loans	**29**	32
Other receivables	**199**	770
	10,012	12,618
Related party receivables (ii)		
Jointly controlled entities	**-**	60
	-	60
Carrying amount of trade and other receivables	**10,012**	12,678

(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 year 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" trade receivables:	CONSOLIDATED	
	2012	2011
	$'000	$'000
61 - 90 days	**857**	1,309
> 90 days	**184**	109
Total	**1,041**	1,418

(ii) For items and conditions relating to related party receivables refer to Notes 28.

12. INVENTORIES (CURRENT)		
Raw materials (at cost)	**2,536**	2,581
Work-in-progress (at cost)	**1,515**	787
Finished goods (at cost)	**18,143**	10,904
	22,194	14,272

13. OTHER CURRENT ASSETS		
Prepayments	**846**	804
	846	804

14. INVESTMENT IN CONTROLLED ENTITIES

Name		Country of incorporation	Percentage of equity interest held by the Group	
			2012 %	2011 %
Australian Golden Ginger Pty Ltd	(i)	Australia	**100**	100
Gingertown Pty Ltd	(i)	Australia	**100**	100
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**	100

(i) Investments by Buderim Ginger Limited

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

(iii) Investment by Buderim Ginger America, Inc

Acquisition of controlled entity

No acquisitions occurred during the year ended 31 December 2012.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Country of incorporation	Percentage of equity interest held by the entity		Investment Consolidated	
		2012	2011	**2012**	2011
		%	%	**$'000**	$'000
Ginger Head Quarters Pty Ltd	Australia	**50**	50	**1,186**	1,213
				1,186	1,213

Buderim Ginger Limited has a 50% interest in jointly controlled entity 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 entities. The following table illustrates summarised information of the investment in Ginger Head Quarters Pty Ltd.

	CONSOLIDATED	
	2012 $'000	2011 $'000
Share of jointly controlled entities' balance sheet:		
Current assets	**114**	130
Non-current assets	**1,063**	1,101
Current liabilities	**(40)**	(66)
Net assets	**1,137**	1,165
Share of jointly controlled entities' revenues and profit:		
Revenue	**392**	372
Expenses	**(316)**	(331)
Profit before income tax	**76**	41
Income tax expense	**(23)**	(7)
Profit after income tax	**53**	34
Reconciliation of movement in investment		
Opening balance	**1,213**	1,219
Dividend paid	**(80)**	(40)
Profit/(loss) after tax	**53**	34
Closing balance	**1,186**	1,213

16. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Land		
Leasehold land at fair value	**409**	70
Freehold land at fair value	**7,250**	10,000
Total land	**7,659**	10,070
Buildings on leasehold land		
At cost	**901**	967
Accumulated depreciation	**(651)**	(614)
	250	353
Buildings on freehold land		
At cost	**10,287**	9,666
Accumulated depreciation	**(5,699)**	(5,400)
	4,588	4,266
Total land and buildings	**12,497**	14,689
Plant and equipment		
At cost	**34,023**	32,915
Accumulated depreciation	**(21,157)**	(18,969)
	12,866	13,946
Plant and equipment under lease		
At cost	**-**	-
Accumulated amortisation	**-**	-
	-	
Total plant and equipment	**12,866**	13,946
Capital works in progress at cost	**364**	166
Total property, plant and equipment		
Fair value	**7,659**	10,070
Cost	**45,575**	43,714
	53,234	53,784
Accumulated depreciation and amortisation	**(27,507)**	(24,983)
Total written down amount	**25,727**	28,801

(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.

(b) Valuations

The Group's tri-annual valuation of property, plant and equipment was undertaken as at 31 December 2012. Colliers International, registered valuers were engaged to value the land and buildings of the parent entity and property, plant and equipment at Frespac's site in Fiji. Laudiston Valuers were engaged to value plant and equipment at the parent entity's Yandina site, Buderim Baking's Kunda Park site and Buderim Macadamias Alstonville site. American Appraisals were engaged to value plant and equipment at Buderim Macadamias of Hawaii, LLC site in Hawaii.

Based on the valuation conducted by Colliers International, Directors reduced the carrying value of the Yandina land to $7.25m resulting in a devaluation increment of $2.75m in 2012. (The original cost of the land was $295,000. Subsequent Directors' valuations resulted in incremental values of $655k in June 1997, $820k in June 2004, $6.53m in June 2006 and $2.7m in June 2007, with devaluations of $1m in December 2009 and of $2.75m in 2012.) Based on the valuation of leasehold land held in Fiji, Directors increased the carrying value to $409k resulting in a revaluation increment of $339k in December 2012.

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Other than in the case of the Yandina and Fiji land values addressed above, Market Value for Existing use of all Group assets exceeded book value. Market valuations for Existing Use are estimates of the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.

Buildings across the Group were valued at $10,345,000 on the basis of Market Value for Existing Use, $27,115,000 for insurance purposes/reinstatement with new value, and $8,535,000 on the basis of Liquidation Value.

Plant and equipment across the Group was valued at $22,289,000 on the basis of Market Value for Existing Use, $45,274,000 for insurance purposes/reinstatement with new value, and $9,217,000 on the basis of Liquidation Value.

In determining the fair value of plant and equipment assets, three approaches were considered, being the income approach, the cost approach and the sales comparison approach. The income approach was deemed inappropriate for the valuation of assets. The cost approach, more commonly known as the depreciated replacement cost method was used for assets in which there was only a limited amount of second hand sales data available. For assets for which the second hand market was fluid with ready access to sales of similar assets the sales comparison method was adopted. Each of the methods used gave consideration to physical deterioration, functional and economic obsolescence. In determining the insurance replacement value of the individual assets replacement cost estimates were obtained from suppliers where possible. Project cost breakdowns were also considered and adopted. For those assets where supplier comment was not available reference was made to recognised cost journals and other known similar projects where applicable. Valuations were prepared on the basis that all assets were valued on the assumption of continuing business enterprises at various locations, and were taken to be in a sound working order capable of profitable undertaking unless otherwise stated.

In determining the property valuation, the specialised nature of the various enterprises and industries in which they operate, were taken into account. Consideration was given to the market value (for mortgage security purposes) that a willing buyer would ascribe to site improvements and/or the development value of the property. In assessing the market value the direct comparison approach, analysed on a rate per square metre of the site is utilised. In assessing fair value for existing use, the depreciated replacement cost approach is utilised, being the current cost of replacement of an asset (providing a similar level of utility) less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

16. PROPERTY, PLANT AND EQUIPMENT (continued)	CONSOLIDATED	
	2012	2011
	$'000	$'000
(c) Reconciliations		
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year.		
Leasehold land		
Carrying amount at beginning	**70**	74
Revaluation to fair value	**339**	-
Net foreign currency movements	**-**	(4)
	409	70
Freehold land		
Carrying amount at beginning	**10,000**	10,400
Devaluation to fair value	**(2,750)**	-
Disposals	**-**	(400)
	7,250	10,000
Buildings on Leasehold land		
Carrying amount at beginning	**353**	427
Disposal	**(12)**	-
Net foreign currency movements	**(42)**	(22)
Depreciation expense	**(50)**	(52)
	249	353
Buildings on freehold land		
Carrying amount at beginning	**4,266**	5,758
Transfers	**622**	264
Disposals	**-**	(1,488)
Depreciation expense	**(299)**	(268)
	4,589	4,266
Plant and equipment		
Carrying amount at beginning	**13,946**	14,302
Additions	**818**	524
Transfers	**446**	1,415
Disposals	**(110)**	-
Net foreign currency movements	**5**	(41)
Depreciation expense	**(2,239)**	(2,254)
	12,866	13,946
Capital Works in progress at cost		
Carrying amount at beginning	**166**	538
Additions	**1,266**	1,307
Transfers	**(1,068)**	(1,679)
	364	166

17. INTANGIBLE ASSETS		CONSOLIDATED		
		Goodwill $'000	Trade marks $'000	Total $'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	(a)	(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**

(a) Trademark additions are capitalised at cost. Their useful lives have been assessed as indefinite. Impairment testing is undertaken where an indicator of impairment arises, or annually.

(b) No impairment loss was recognised for continuing operations in the 2012 or 2011 financial year.

Assets pledged as security

Refer Note 16.

Impairment testing

Refer Note 24.

	Goodwill $'000	Trade marks $'000	Total $'000
At 1 January 2011			
Cost (gross carrying amount)	3,955	216	**4,171**
Accumulated amortisation and impairment	(59)	(76)	**(135)**
Net carrying amount	3,896	140	**4,036**
Year ended 31 December 2011			
At 1 January 2011, net of accumulated amortisation	3,896	140	**4,036**
Additions	-	1	**1**
Foreign exchange movement / other	(5)	-	**(5)**
At 31 December 2011, net of accumulated amortisation	3,891	141	**4,032**
At 31 December 2011			
Cost (gross carrying amount)	3,950	217	**4,167**
Accumulated amortisation and impairment	(59)	(76)	**(135)**
Net carrying amount	3,891	141	**4,032**

18. TRADE AND OTHER PAYABLES	CONSOLIDATED	
	2012	2011
	$'000	$'000
CURRENT		
Trade payables (i)	**5,700**	4,969
Other payables (i)	**6,645**	4,982
Interest payable (ii)	**43**	15
	12,388	9,966
Related party payables (iii)		
Joint venture entities	**113**	137
	113	137
Carrying amount of trade and other payables	**12,501**	10,103

(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 year.

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

During the financial period ended 31 December 2012, the parent entity did not receive grant funds (2011: $248,000).

19. INTEREST-BEARING LIABILITIES	Effective		CONSOLIDATED	
	Interest rate		**2012**	2011
CURRENT	%	Maturity	**$'000**	$'000
Secured				
Bank overdraft (i)	9.33	-	**288**	-
Bank bill facility (i)	5.21	rolling	**8,061**	19,054
Bank loans (ii)				
- Frespac Ginger (Fiji) Pty Ltd	11.49	2013	**6**	6
- Buderim Baking Company Pty Ltd	6.57	2013	**104**	124
- Buderim Ginger Limited	5.75	2013	**172**	409
- Buderim Macadamias Pty Ltd	6.82	2013	**140**	42
			8,771	19,635
NON-CURRENT				
Secured				
Bank bill facility (i)	5.21	rolling	**8,331**	-
Bank loans (ii)				
- Frespac Ginger (Fiji) Pty Ltd	11.49	2014	**4**	11
- Buderim Macadamias Pty Ltd	6.82	2014	**297**	66
			8,632	77

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 company's assets. The effective interest rate on the bill facilities is currently 5.21% (2011: 5.43%). The interest rate on the overdraft facilities is approximately 9.33% (2011: 10.31%).

(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% (2011: 11.49%) which are supported by a guarantee from the parent entity. Buderim Baking Company Pty Ltd loan is at an average interest rate of 6.57%. (2011: 8.60%) and Buderim Ginger Limited's loans are at an average interest rate of 5.75% (2011: 8.60%). These loans represent funding of workcover and general insurance premiums. Buderim Macadamias Pty Ltd's loan is at an interest rate of 6.82% (2011: 8.95%) and is secured over the plant and equipment subject to the loan.

(iii) Working Capital Facility

In accordance with the terms of revised facilities established with Rabobank Australia Limited during the financial year ended 31 December 2012, bills have been classified as both current and long term. In the comparative period, all amounts owed to Rabobank had been classified as current due to a facility expiry date of 31 December 2011.

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	
	2012	2011
	$'000	$'000
Total facilities		
- bank overdraft	**1,000**	725
- working capital facility	**16,392**	19,054
- bank loans	**723**	658
Facilities used at reporting date		
- bank overdraft	**288**	-
- working capital facility	**16,392**	19,054
- bank loans	**723**	658
Facilities unused at reporting date		
- bank overdraft	**712**	725

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	
	2012	2011
	$'000	$'000
CURRENT	**852**	812
Employee benefits	**852**	812
NON-CURRENT	**45**	46
Employee benefits	**45**	46
	897	858

(b) Nature of Provisions

Provision for Employee Benefits

Provisions have been recognised for employee entitlements relating to short and long term long service leave. In calculating the present value of future cashflows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 2 to this report.

21. CONTRIBUTED EQUITY AND RESERVES	CONSOLIDATED	
	2012	2011
	$'000	$'000
Issued and paid up capital		
20,648,694 ordinary shares fully paid (2011: 82,592,707)	**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.

	2012		2011	
Movements in ordinary shares on issue	**Number of shares**	**$'000**	**Number of shares**	**$'000**
Beginning of the financial year	**82,592,707**	**28,044**	40,896,353	23,008
Issued during the year				
- share consolidation (i)	**(61,944,013)**	**-**	-	-
- acquisition of non-controlling interest (i)	**-**	**-**	400,000	80
- non-renouncement rights issue (ii)	**-**	**-**	39,720,992	4,767
- placement of rights issue shortfall (iii)	**-**	**-**	1,575,362	189
End of the financial year	**20,648,694**	**28,044**	82,592,707	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.

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.

22. MARKET RISKS

(a) Interest rate risk

Refer to note 19 for disclosure on effective interest rates.

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 and cash equivalents	(12)	(12)	12	12	-	-	-	-
Trade and other receivables	-	-	-	-	77	77	(63)	(63)
Derivatives - cash flow hedges	-	-	-	-	-	77	-	(63)
Financial Liabilities								
Derivatives - cash flow hedges	-	-	-	-	-	(56)	-	46
Trade and other receivables	-	-	-	-	(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

This analysis assumes that all other variables remain constant.

Summarised sensitivity analysis as at 31 December 2011	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	(33)	(33)	33	33	100	100	(82)	(82)
Trade and other receivables	-	-	-	-	83	83	(68)	(68)
Derivatives - cash flow hedges	-	-	-	-	-	163	-	(133)
Financial Liabilities								
Derivatives - cash flow hedges	-	-	-	-	-	(372)	-	304
Trade and other receivables	-	-	-	-	(13)	(13)	11	11
Bank Overdraft	-	-	-	-	-	-	-	-
Borrowings	191	191	(191)	(191)	(496)	(496)	496	496
Total increase/(decrease)	158	158	(158)	(158)	(326)	(535)	357	528

This analysis assumes that all other variables remain constant. 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 31 December 2012, the Group held no foreign exchange contracts designated as hedges of expected future sales to customers in the United Kingdom as sales into the United Kingdom are now sold in AUD through a distributor. In 2011 foreign exchange contracts designated as hedges of expected future sales to customers in the United Kingdom had varying maturity dates up to 5 December 2012 at an average AUD/GBP exchange rate of $0.6231 with an AUD equivalent of $1,000,000.

At 31 December 2012, the Group held foreign exchange contracts designated as hedges of expected future sales to customers in the United States of America with varying maturity dates up to 5 July 2013 (2011: 14 September 2012). The average AUD/USD exchange rate of these contracts is $0.9734 (2011: $0.9829) with an AUD equivalent of $508,000 (2011: $1,400,000).

At 31 December 2012, the Group held no foreign exchange contracts designated as hedges of expected future sales in Euro's. In 2011a foreign exchange contract designated as a hedge of an expected future sale in Euro's had a maturity date of 15 April 2012 at an AUD/EUR exchange rate of this contract of $0.7175 with an AUD equivalent of $34,000.

At 31 December 2012 the Group held foreign exchange contracts designated as hedges of future purchases from overseas suppliers with varying maturity dates up to 31 October 2013 (2011: 5 December 2012) with an average AUD/USD exchange rate of $1.0096 (2011: $0.9949) and an AUD equivalent of $1,087,000 (2011: $1,468,000).

At 31 December 2012 the Group held foreign exchange contracts designated as hedges of future intra-group debt reductions with varying maturity dates up to 28 March 2013 (2011: 25 May 2012). The average AUD/USD exchange rate of these contracts is $0.9945 (2011: $0.9954) with an AUD equivalent of $100,553 (2011: $914,000).

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

Cash flow hedge – interest rate swap

At 31 December 2012, the Group had no interest rate swap agreements in place (2011: Nil). The interest rate swap arrangement grants the Group the right to receive interest at a variable rate equal to the ABBSY on the notional amount and pay interest at a fixed rate.

Interest rate swaps are used to hedge exposures to changes in the fair value of a portion of the Group's bill facilities. The bill facilities and the interest rate swaps have the same critical terms.

Hedge on investments in foreign entities

Included in the bill facility at 31 December 2012, are borrowings of USD $4,150,000 (AUD $3,953,510). As at 31 December 2011, these borrowings were USD $4,538,000 (AUD $4,475,000). 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	
	2012	2011
	$'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 31 December 2012 are as follows:		
Within one year	**1,067**	1,166
After one year and not more than five years	**3,321**	2,246
In excess of five years	**2,547**	2,978
	6,935	6,390

Finance lease commitments – Group as lessee

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

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Capital commitments		
At 31 December 2012 the Group has commitments of $44,000 (2011: $181,000) principally relating to plant and machinery upgrades planned for 2013. Commitments contracted at reporting date, but not recognised as liabilities are as follows:		
Within one year	**44**	181
- plant and equipment upgrades	**44**	181

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 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. 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% (2011: 3%) has been applied to cash forecasts. The pre-tax discount rate applied to the cash flow projections for each unit are as follows:

- Ginger Australia 9.0% (2011: 11.5%)
- Ginger Fijian 12.0% (2011: 14.4%)
- Tourism 9.6% (2011: 12.0%)
- Baking 9.7% (2011: 12.2%)
- Macadamias – Australia 9.4% (2011: 11.9%)

Key assumptions used in cashflow forecasts include:

- Revenue – Ginger decline due to economic influences in overseas markets, Baking includes gradual increases based on new business developments and organic growth, 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.

Management believe that other reasonable changes in the key assumptions on which the recoverable amount assessment of goodwill is based, would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

The loss of a major component of business in late 2011 had a significant impact on Baking's result for 2012. Although this represents a trigger for impairment, Directors and management have employed strategies to overcome this issue going forward. These strategies incorporate securing new business, operational restructuring including redundancies, and a reduction in concentration risk. New business development strategies aim to establish both customer and product diversity as a means of minimising the risk of contract terminations with engagements established with at least six major leaders in the bakery industry over several different brands and franchised chains with diversity of product categories throughout. This level of diversification provides for reduced concentration risk than previously held when dealing with one major customer and one brand. Numerous production trials, demonstrations, price negotiations and staging of launches for each prospective customer consumed a large component of 2012. Despite the fact that it has taken slightly longer than first anticipated to complete production trials with new customers and begin the roll out launches, impairment of Baking's assets remains unnecessary in light the net present value of future cashflows forecast from current customers. Forecasted sales would have to decrease by over 4% prior to there being any impairment on the Baking segment.

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	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Carrying amount of goodwill	**44**	44	**96**	96	**2,016**	2,016	**218**	218	**1,517**	1,517	**3,891**	3,891
Trademarks	**141**	140	**1**	1	**-**	-	**-**	-	**-**	-	**142**	141
	185	184	**97**	97	**2,016**	2,016	**218**	218	**1,517**	1,517	**4,033**	4,032

25. EVENTS AFTER THE BALANCE SHEET DATE

Mr John Wilkie, the General Manager – MacFarms of Hawaii passed away suddenly on 6 February 2013. It is anticipated that the Company will rely on its internal succession planning to continue expatriate support of the MacFarms operation.

In January 2013, the CEO, Mr Murray Richardson tendered his resignation due to personal family reasons. Mr Richardson has advised his resignation is effective 7 April 2013.

Subsequent to the end of the reporting period, directors have declared that a dividend of 3.0 cents per ordinary share be paid for the year ended 31 December 2012. This dividend will be paid in May 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 year can be found in the remuneration report in the directors report.

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Short-term employee benefits		
Cash salary and fees	**1,545,163**	1,305,158
Cash bonus	**-**	62,150
Non Monetary	**174,565**	181,381
Post-employment benefits		
Superannuation	**108,317**	72,828
Long term employee benefits		
Long service leave	**23,001**	12,146
Termination benefits	**-**	33,096
	1,851,046	1,666,759

(b) 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	325,00	(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.

26. DIRECTORS AND EXECUTIVE DISCLOSURES (continued)

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.

Retired Directors

(5) S. Maitland holds a relevant interest in 81,250 shares registered in the name of S.J. Maitland & F.P. Maitland (Maitland Family Superannuation Fund).

(c) Shareholdings during the year ended 31 December 2011

Ordinary Shares held in Buderim Ginger Limited	Balance 1 January 2011	Non-Renouncement Rights Issue	Placement of Rights Issue Shortfall	Market Acquisition / (Sale)	Balance 31 December 2011
	Ordinary No.	Ordinary No.	Ordinary No.	Ordinary No.	Ordinary No.
Current Directors					
S.J. Maitland	118,611	206,389	-	-	325,000
S.T. Templeton	2,818,733	1,281,818	-	72,327	4,195,798*
S.J. Morrow	-	-	158,696	-	158,696
G. Vasili	-	20,000,000	-	6,381,453	26,381,453
Executives					
R.W. O'Grady	-	-	1,000,000	-	1,000,000
K.L. Rogers	1,652	1,651	-	-	3,303
J.H. Wilkie	101,890	203,780	-	-	305,670
D.J. Cashin	-	-	-	-	-
D.R. Burton	-	-	-	-	-
C.M. Mikkelsen	-	-	-	-	-
C.E.Todd	3,268	3,268	-	-	6,536

* Shares held nominally by directors include 224,833 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

(6) S. Maitland holds a relevant interest in 325,000 shares registered in the name of S.J. Maitland & F.P. Maitland (Maitland Family Superannuation Fund).

(7) S. Templeton holds a relevant interest in 53,187 shares registered in the name of Templeton Holdings (Qld) Pty Ltd, and 3,917,778 shares registered in the name of Redarea Pty Ltd (The Templeton Family Account).

(8) S. Morrow holds relevant interest in 158,696 shares registered in the name of S. J. Morrow & B. Morrow (Morrow Family Superannuation Fund).

(9) G. Vasili holds a relevant interest in 26,381,453 shares registered in the name of The John Cheadle Trust.

(c) 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 $1,407,600 (2011: $638,700) in a normal customer relationship on terms and conditions no more favourable than those available on similar transactions to other suppliers. Refer Note 28.

(d) Loans

There were no loans made to key management personnel during the year or prior year and there are no loans outstanding as at 31 December 2012.

27. AUDITORS' REMUNERATION	CONSOLIDATED	
	2012	2011
	$'000	$'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	**109,000**	103,634
- tax advice in relation to the entity and any other entity in the consolidated entity	**60,844**	59,843
- other assurance services in relation to the entity and any other entity in the consolidated entity	**-**	4,050
	169,844	167,527
Amounts received or due and receivable by internationally related practices of BDO for:		
- an audit or review of the financial report of subsidiaries	**9,545**	18,169
- tax advice in relation to subsidiaries	**20,241**	38,877
	29,786	57,046
	199,630	224,573

28. RELATED PARTY DISCLOSURES

(a) 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 Australian Golden Ginger Pty Ltd, Gingertown Pty Ltd, Buderim Ginger (Overseas) Holdings Pty Ltd, Buderim Baking 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	
	2012	2011
	$'000	$'000
INCOME		
Sale of goods	**58,596**	63,248
Cost of sales	**(46,222)**	(48,538)
Gross profit	**12,374**	14,710
Rental revenue	**229**	218
Dividend income	**369**	269
Other income	**223**	344
Finance revenue	**13**	94
Total income	**13,208**	15,635
Share of profit of jointly controlled entity	**53**	33
Selling and distribution expenses	**(6,181)**	(8,257)
Marketing expenses	**(288)**	(336)
Tourism expenses	**(2,195)**	(2,019)
Administration expenses	**(5,008)**	(4,907)
PROFIT/(LOSS) BEFORE TAX AND FINANCE COSTS	**(411)**	149
Finance costs	**(707)**	(921)
PROFIT/(LOSS) BEFORE INCOME TAX	**(1,118)**	(772)
Income tax (expense) / benefit	**486**	456
NET PROFIT/(LOSS) FOR THE YEAR	**(632)**	(316)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Currency translation	**-**	-
Cash flow hedges	**55**	(43)
Total other comprehensive income/(loss) net of tax	**55**	(43)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**(577)**	(359)
Total net profit/(loss) is attributable to:		
Equity holders of Buderim Ginger Limited	**(632)**	(316)
Non-controlling interests	**-**	-
	(632)	(316)
Total comprehensive income/(loss) is attributed to:		
Equity holders of Buderim Ginger Limited	**(577)**	(359)
Non-controlling interests	**-**	-
	(577)	(359)

28. RELATED PARTY DISCLOSURES (continued)	CLOSED GROUP	
	2012	2011
	$'000	$'000
(ii) Consolidated Statement of Financial Position		
CURRENT ASSETS		
Cash and cash equivalents	**545**	1,450
Trade and other receivables	**7,545**	10,554
Inventories	**17,031**	11,008
Current tax assets	**25**	26
Other current assets	**579**	505
Derivatives	**28**	16
TOTAL CURRENT ASSETS	**25,753**	23,559
NON-CURRENT ASSETS		
Receivables	**7,545**	8,996
Investments	**1,298**	1,298
Investments accounted for using equity method	**1,186**	1,213
Property, plant and equipment	**23,188**	26,604
Deferred tax assets	**2,221**	1,722
Intangible assets	**3,893**	3,891
TOTAL NON-CURRENT ASSETS	**39,331**	43,724
TOTAL ASSETS	**65,084**	67,283
CURRENT LIABILITIES		
Trade and other payables	**13,036**	8,977
Interest-bearing liabilities	**8,547**	19,629
Short-term provisions	**845**	812
Current tax liabilities	**-**	-
Derivatives	**36**	79
TOTAL CURRENT LIABILITIES	**22,464**	29,497
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	**8,628**	66
Deferred tax liabilities	**2,364**	3,175
Long-term provisions	**45**	46
TOTAL NON-CURRENT LIABILITIES	**11,037**	3,287
TOTAL LIABILITIES	**33,501**	32,784
NET ASSETS	**31,583**	34,499
EQUITY		
Contributed equity	**28,044**	28,044
Reserves	**4,205**	6,076
Retained earnings	**(666)**	379
TOTAL EQUITY	**31,583**	34,499

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. During the year ended 31 December 2010, Buderim Baking Company Pty Ltd and Buderim Macadamias Pty Ltd joined the closed group covered by the Class Order 98/1418.

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**	**2012**	**484,839**	**684,000**	**-**	**112,787**
	50	2011	517,835	815,080	60,201	136,520

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*	**-**	**2012**	**-**	**1,407,600**		**10,076**
	-	2011	-	638,700		25,819

For the year ended 31 December 2012, the Group has not raised any provision for doubtful debts relating to amounts owed by related parties. (2011: 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	**2012 TOTAL OPERATIONS $'000**	2011 TOTAL OPERATIONS $'000
Debts:		
Interest bearing loans and borrowings	**17,403**	19,712
Cash and cash equivalents	**(1,230)**	(3,295)
Net debt	**16,173**	16,417
Total equity	**34,483**	34,333
Total capital employed	**50,656**	50,750
	31.9%	32.3%
Assets funded by external stakeholders		
Total assets	**68,898**	69,129
Total liabilities	**34,415**	34,795
	50.0%	50.3%

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	**2012 $'000**	2011 $'000
Current assets	**14,590**	14,275
Non-current assets	**42,213**	46,569
Total assets	**56,803**	60,844
Current liabilities	**16,864**	26,535
Non-current liabilities	**12,264**	3,811
Total liabilities	**29,128**	30,346
Net assets	**27,675**	30,498
Issued capital	**28,044**	28,044
Reserves	**4,205**	6,076
Retained earnings/(accumulated losses)	**(4,574)**	(3,622)
Total shareholders' equity	**27,675**	30,498
Net Profit/(loss) for the year	**(539)**	(973)
Total comprehensive income/(loss) for the year	**(2,409)**	(1,016)

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. No such deficiencies exist.

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 31 December 2012 the parent entity has commitments of $44,000 (2011: $181,000) principally relating to plant and machinery upgrades planned for 2013. 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.

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 31 December 2012 and of the performance for the year ended on that date;

(b) this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2012;

(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, 27 February 2013

INDEPENDENT AUDITORS' REPORT

BDO

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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 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year 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 year's end or from time to time during the financial year.

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 31 December 2012 and of its performance for the year 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).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 31 December 2012. 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 year ended 31 December 2012 complies with section 300A of the Corporations Act 2001.

BDO Audit Pty Ltd

PA Gallagher

Director

Brisbane, 27 February 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 7 March, 2012.

(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	725	282,834
1,001 – 5,000	503	1,182,484
5,001 – 10,000	141	995,842
10,001 – 100,000	142	3,685,559
100,001 and over	20	14,501,975
	1,531	20,648,694
The number of shareholders holding less than a marketable parcel of shares are:	658	221,898

(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	6,595,364	31.94
2	Bundaberg Sugar Group Ltd	2,194,325	10.63
3	Shane Templeton	1,048,951	5.08
4	Rathvale Pty Limited	1,029,060	4.98
5	Rubicon Family Office Pty Limited	1,022,397	4.95
6	Hsbc Custody Nominees (Australia) Limited - A/C 2	414,313	2.01
7	Bickfords (Australia) Pty Ltd	333,053	1.61
8	Mr Ronald William O'Grady + Mrs Sherrie Margaret O'Grady <R & S O'Grady S/F A/C>	250,000	1.21
9	Mr John Cheadle	224,595	1.09
10	Clowes Investments Pty Ltd	201,984	0.98
11	Mrs Felicity Ruth Benoit + Mr Ashley Laurence Benoit	181,578	0.88
12	Citicorp Nominees Pty Limited	151,525	0.73
13	Mr John Barr <Barr Family A/C>	140,787	0.68
14	Mr Martin James Hickling + Mrs Jane Frances Hickling <M & J Hickling Super A/C>	139,500	0.68
15	Siben Nominees Pty Ltd <I Yaksich & Ass Med Pl Sf A/C>	125,000	0.61
16	Randell Management Services Pty <Timms Super Fund Account>	124,998	0.61
17	Panda Investments (Vic) Pty Ltd	116,565	0.56
18	"The Genuine Snake Oil Company Pty <Morson Group Super Fund A/C>"	112,971	0.55
19	Winpar Holdings Limited	110,000	0.53
20	Kalingo Pty Ltd	108,552	0.53
	Report Total	14,625,518	70.83
	Remainder	6,023,176	29.17
	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 Ltd and Associates	1,227,027
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

Murray Richardson

COMPANY SECRETARY

Karon Rogers

SENIOR MANAGEMENT

Karon Rogers
(Chief Financial Officer)

Darren Burton
(General Manager – Agrimac)

John Wilkie
(General Manager – MacFarms of Hawaii)

Dave Dippelsman
(General Manager – Buderim Baking)

Corinne Mikkelsen
(General Manager – Tourism)

Craig Todd
(Ginger Marketing Manager)

AUDITORS

BDO Audit Pty Ltd

SOLICITORS

Thomsons Lawyers

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Westpac Banking Corporation

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