FORM: Final report

Name of *issuer*

Ricegrowers Limited

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Financial year ended ('Current period')
55 007 481 156		✓	30 April 2011

For announcement to the market

				$A,000
Revenue	down	1.0 %	to	809,349
Profit (loss) for the period (after tax)	up	11.5 %	to	13,099
Profit (loss) for the period attributable to members of Ricegrowers Limited	up	4.3 %	to	12,691

Commentary on results for the period

The group's revenue for the year ended April 2011 of $809m was lower by 1.0% compared to the prior year of $817m.

The group's profit after tax attributed to members of Ricegrowers Limited was $12.7m compared to $12.2m for the prior year.

SunRice performed well in the face of another drought impacted year, increased competition and the strengthening Australian dollar. Contributed EBIT was lower by $9m (25%) in the Rice milling and marketing business, but offset by improved performance in Riviana, CopRice and other Rice Food businesses, which were up by $12m.

A$000	Apr 08	Apr 09	Apr 10	Apr 11
Consolidated group profit after tax and minority interests	14,977	76,824	11,749	13,099
Consolidated profit attributable to members of Ricegrowers Limited	14,096	75,811	12,171	12,691
Dividend (cents per share)	22.5*	22.5	22.5	18.0

*Dividend for April 08 was unfranked.

Consolidated profit attributable to members of Ricegrowers Limited for the year ended April 2011 is $12.7m. 77.6% will be paid out as dividend, resulting in a dividend of 18 cents per share, with $2.8m being retained.
The company will therefore be paying a fully franked dividend of 18.0 cents per share, which is 4.5 cents per share lower than the prior year.
The company operated two paddy pools for the year ended April 11. The 2010 crop medium grain paddy price was $550 per tonne for the premium pool and $320 per tonne for the number 2 pool.

Dividends	Current period	Previous corresponding period
Franking rate applicable:	100%	100%
Final dividend		
Amount per *security*	18.0 cents	22.5 cents
Franked amount per *security*	18.0 cents	22.5 cents

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

N/A

Date the dividend is payable	29 July 2011
Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)	15 July 2011
If it is a final dividend, has it been declared?	Yes

The *dividend or distribution plan*s shown below are in operation.

Shareholders may participate in the Ricegrowers Limited Dividend Reinvestment Plan (DRP). Shareholders wishing to participate in the DRP for the first time will need to have the completed application returned to SunRice Grower Services by close of business on Friday 15 July 2011.

Any other disclosures in relation to *dividends or distributions*

N/A

NTA Backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary *security*	4.68	4.68

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Financial Report

30 April 2011

Contents

This financial report covers both Ricegrowers Limited as an individual entity and the consolidated entity consisting of Ricegrowers Limited and its controlled entities. The financial report is presented in Australian currency.

Ricegrowers Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Ricegrowers Limited
NIP 37 Yanco Avenue
LEETON NSW 2705

A description of the nature of the consolidated entity's operations and its principal activities is included within the annual report and in the directors' report, which is not part of the financial report.

The financial report was authorised for issue by the directors on 21 June 2011.

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Directors' Report

Your Directors present their report on the consolidated entity consisting of Ricegrowers Limited and the entities it controlled at the end of, or during the year ended, 30 April 2011.

1 *Directors*

The following persons were Directors of Ricegrowers Limited during the financial year and up to the date of this report:

GF Lawson AM
DM Robertson
LJ Arthur
NG Graham
G Helou (executive)
RA Higgins AO
GL Kirkup
GF Latta AM
N McAllister
AD Walsh

2 *Company Secretary*

Mandy Del Gigante

3 *Principal activities*

The principal activities of Ricegrowers Limited and its controlled entities consist of receival and storage of paddy rice, milling of rice, manufacture of rice based products, marketing of rice and grocery products, research and development into the growing of rice, and the processing of rice and related products.

4 *Consolidated entity result*

The net profit of the consolidated entity for the period after income tax and after non-controlling interests was $12,691,000 (2010: $12,171,000).

5 *Review of operations*

A review of operations of the consolidated entity during the financial year and the results of those operations is included in the Annual Report to shareholders.

6 *Significant changes in the state of affairs*

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial period under review, not otherwise disclosed in the Annual Report.

7 *Events subsequent to the balance sheet date*

On 31 May 2011, shareholders voted on the Ebro proposal, which was not approved.
On 15 June 2011 the CEO, Gary Helou, tendered his resignation. The Board has agreed to a three months notice period and he will be leaving on 14 September 2011.
On 21 June 2011 the Directors declared a fully franked final dividend of 18.0 cents per share.
The Directors are not aware of any other matter or circumstance, since the end of the financial year, not otherwise dealt with in the report that has significantly, or may significantly, affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

8 *Likely developments and expected results of operations*

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it is likely to result in unreasonable prejudice to the consolidated entity.

9 *Environmental regulation*

The consolidated entity is subject to significant environmental regulation in respect of its land development, construction and manufacturing activities as set out below.

Land Development Approvals

Planning approvals are required for the development of land under the *New South Wales Environmental Planning and Assessment Act 1979* and *Victorian Environmental Protection Act 1970*. To the best of the Directors' knowledge, all activities have been undertaken in compliance with the requirements of the planning approvals.

Manufacturing

The consolidated entity holds licences and approvals for its manufacturing sites in New South Wales and Victoria. The licences require air, water and noise emissions to be maintained below specified limits and solid wastes to be removed to an appropriate disposal facility. To the best of the Directors' knowledge there have been no breaches of these licences.

9 Environmental regulation (continued)

Ricegrowers Limited operates an environmental management system to ensure compliance with the requirements of the *Protection of the Environment Operations Act 1997* , the *Environmentally Hazardous Chemicals Act 1985* and the *Waste Avoidance and Resource Recovery Act 2001* . Any complaints received in relation to environmental issues are investigated and actions planned and implemented to reduce the impact of Ricegrowers Limited's activities.

The National Packaging Covenant report for 2009-2010 has been submitted and the new action plan for the next five years has been received, assessed and accepted by the Australian Packaging Covenant.

Actions towards the reduction of packaging waste sent to landfill continue to be implemented and maintained. Trade waste water continues to be addressed with the ongoing maintenance of the water treatment plant at Specialty Rice Foods Group. This facility is functioning well and the outgoing water quality is being monitored on a regular basis by Ricegrowers Limited as well as Leeton Shire Council personnel.

Greenhouse gas and energy data reporting requirements

The group is subject to the reporting requirements of both the *Energy Efficiency Opportunities Act 2006* and the *National Greenhouse and Energy Reporting Act 2007* if consumption levels exceed thresholds.

Ricegrowers Limited has assessed its energy usage. The assessment has determined that Ricegrowers Limited did not exceed the energy consumption thresholds set by the *Energy Efficiency Opportunities Act 2006* and the *National Greenhouse and Energy Reporting Act 2007* for the current reporting period and consequently are not subject to the reporting requirements of both acts.

10 Paddy supply

The paddy supply for 2011/2012 from Australian ricegrowers is expected to be in excess of 800k tonnes. Prior year supply in 2010/2011 and 2009/2010 was adversely impacted by drought conditions with receipts of 205k tonnes and 66k tonnes respectively. Favourable water availability should result in a more normal paddy supply over the next few years.

11 Top Ten Shareholders

The following table represents the top ten shareholders as at 30th April 2011.

Rank	Shareholder	No. of B Class Shares
1	Menegazzo Enterprises Pty Ltd	2,734,567
2	Burrabogie Pastoral Co Pty Ltd	2,261,004
3	Dellapool Nominees Pty Ltd	904,809
4	Germanico Super Pty Ltd	810,625
5	Industry Designs Pty Ltd	467,290
6	Mr Alan David Walsh	467,254
7	Taurian Pty Ltd	402,529
8	GF & SB Lawson Pty Ltd	330,139
9	RM & AM Brain	311,970
10	FS Falkiner & Sons Pty Ltd	300,170

The above table reflects the shareholdings of individual entities in their own right.

12 Directors' and company secretary qualifications

Refer to the Annual Report for details.

13 Directors' interests in shares

	Directors' interests in A and B Class shares of Ricegrowers Limited	
Director	**30 April 2011**	**30 April 2010**
GF Lawson AM	330,140	330,140
DM Robertson	224,540	224,540
LJ Arthur	234,819	234,819
NG Graham	100,898	100,898
G Helou	54,000	54,000
RA Higgins AO	29,838	29,838
GL Kirkup	67,425	67,425
GF Latta AM	29,838	29,838
N McAllister	319,086	319,086
AD Walsh	473,323	473,323

14 ***Directors' meetings***

	RL Board		F & A Committee		Grower Services Committee		Remuneration Committee	
	Attended	**Possible**	**Attended**	**Possible**	**Attended**	**Possible**	**Attended**	**Possible**
GF Lawson AM	21	21	2	-	3	-	4	4
DM Robertson	21	21	3	4	-	-	4	4
LJ Arthur	21	21	4	4	5	5	-	-
NG Graham	20	21	4	4	-	-	-	-
G Helou	21	21	4	4	5	-	2	-
RA Higgins AO	21	21	4	4	-	-	-	-
GL Kirkup	21	21	-	-	5	5	-	-
GF Latta AM	21	21	4	4	-	-	4	4
N McAllister	21	21	-	-	5	5	-	-
AD Walsh	21	21	-	-	5	5	-	-

In certain circumstances, Directors may be invited to attend and contribute to meetings of committees of which they are not members. In addition to the above there were 12 due diligence meetings held in respect of the Ebro proposal.

15 ***Indemnification of officers***

During the year, Directors and Executive officers of Ricegrowers Limited were insured as part of an insurance policy undertaken against a liability of a nature that is required to be disclosed under the Corporations Act. In accordance with the *Corporations Act 2001* further details have not been disclosed due to confidentiality provisions in the insurance contract.

16 ***Directors' benefits***

The Directors have direct dealings with the company on the same terms and conditions that apply to all members whether by contractual arrangements or otherwise.

No Director has received or become entitled to receive a benefit by reason of a contract made by the company or a controlled entity with the Director or a firm of which the Director has a substantial financial interest other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown above.

Several Directors sit on local Boards which serve the rice industry as disclosed in the Annual Report. The consolidated entity has dealings with these Boards and Committees whose purpose is to deal with issues that relate to the rice industry. The transactions involved are conducted on terms no more favourable than other bodies that affect the rice industry.

17 ***Remuneration report (audited)***

This report outlines Ricegrowers Limited's remuneration policy for Directors and other Key Management Personnel (KMP) in accordance with requirements of the *Corporations Act 2001* and Corporations Regulations.

(i) Principles used to determine the nature and amount of remuneration

In keeping with our vision to be truly world class in all aspects of our operations, our remuneration is guided by the need to foster a high performance culture and maintain market competitiveness. CEO and Senior Executive Salary packages are based on the level of responsibility of the role and are linked to performance based Key Performance Indicators. Salaries are determined by the Remuneration Committee chaired by Mr Grant Latta and approved by the Board after extensive consultation with remuneration experts including Newton Consulting and Mercer Human Resource Consulting. In addition, remuneration surveys from Corporate Remuneration Advisors, Australian Institute of Management, Mercer Human Resource Consulting and FMCG Careers are taken into consideration. This ensures that remuneration decisions are consistent with similar roles in comparable organisations. This reinforces our commitment to our Pay for Performance philosophy that attracts and retains highly skilled employees.

17 Remuneration report (continued)

(ii) Non-executive directors

Non-executive directors' fees are determined within an aggregate Non-Executive Directors' fee pool limit, which is periodically recommended to shareholders for approval. The maximum currently stands at $750,000 as approved at the 2010 Annual General Meeting. This includes any superannuation contributions made for the benefit of the Directors' under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* .

The following fees have applied from 1 May 2010

Base Fees	**$**
Chair	135,000
Deputy Chair	70,000
Other non-executive directors	60,000
Additional Fees	
F&A Committee - Chair	12,000
F&A Committee - Member	6,000
Remuneration Committee - Chair	6,000
Remuneration Committee - Member	3,000
Grower Services Committee - Chair	6,000
Grower Services Committee - Member	3,000

In addition to the above fees:
Directors attending to the business of the Company under direction of the Board of Directors shall receive travelling and out of pocket expenses.
Non Executive Directors of Ricegrowers Limited who are directors of Trukai Industries Limited also receive $1,880 (Kina 5,000) in annual director fees.

Ricegrowers Limited contributes the statutory 9% superannuation to an accumulation fund on behalf of all Directors.

(iii) Retirement allowances for directors

At the 2010 Annual General Meeting, shareholders approved the termination of the retirement allowance scheme. Directors' accrued entitlements at 30 April 2010 were frozen and will be paid when they retire.

(iv) Executive pay

The executive pay and reward framework has three components:

* base pay and benefits
* other remuneration such as superannuation
* incentives

The combination of these comprises the executive's total employee reward.

(v) Base pay

Structured as a Total Fixed Remuneration package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion. While there is an annual salary review process, increases are not guaranteed.

(vi) Benefits

Executives are able to elect to take a range of benefits as part of their Total Fixed Remuneration package, including a company car, novated vehicle or car allowance; remote housing subsidy or travel allowance.

(vii) Retirement benefits

Retirement benefits are delivered under the relevant employers'/employees' superannuation fund. Ricegrowers Limited contributes the statutory 9% superannuation to an accumulation fund on behalf of all employees. Employees can elect to make additional contributions from their Total Fixed Remuneration, either pre or post tax.

(viii) Incentives/Bonuses

The CEO participates in both a short and long term incentive plan. Both plans are contingent upon Ricegrowers Limited and the CEO achieving predetermined performance targets set by the Board.
A discretionary bonus scheme has been in place in 2011 for management. Final values have been determined by the Remuneration Committee and the Board.
M.Bazley, B.Hingle and D.Keldie participate in a long term incentive plan which commenced 1 May 2008 and operates through to 30 April 2011. This plan is contingent on the achievement of predetermined performance targets set by the Board. Performance is based on a scorecard of 'financial', 'customer', 'governance', 'quality', 'safety' and 'operational' metrics.

Directors' Report

18 Details of remuneration (audited)

(a) Directors

The Directors named in the Directors' Report each held office as a Director of Ricegrowers Limited during the year ended 30 April 2011.

(b) Other Key Management Personnel

The following persons were the executives having greatest authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year.

Name	*Position*	*Employer*
M. Bazley	General Manager, Global Procurement	Ricegrowers Limited
B. Hingle	Chief Financial Officer	Ricegrowers Limited
D. Keldie	General Manager, Consumer Markets	Ricegrowers Limited
J. Lloyd	Chief Executive Officer	Riviana Foods Pty Ltd

All the above persons were also executives during the year ended 30 April 2010.

(c) Key Management Personnel Compensation (including Directors)

(i) Remuneration for Non-Director Key Management Personnel and other executives of Ricegrowers Limited and the Group

	Short term benefits			**Post employment benefits**		**Other long term benefits ***	**Share based payments**	**Total**
Name	Cash Salary and fees $	Bonus $	Non-Monetary Benefits $	Super - annuation $	Retirement benefits $	Bonus $	Equity Options / others $	$
Key Management Personnel								
M Bazley^ #								
2011	**330,319**	**20,000**	**-**	**25,000**	**-**	**73,660**	**-**	**448,979**
2010	318,370	40,000	-	26,600	-	33,000	-	417,970
B Hingle^ #								
2011	**316,533**	**20,000**	**27,937**	**21,180**	**-**	**131,706**	**-**	**517,356**
2010	305,883	50,000	27,937	21,180	-	43,000	-	448,000
D Keldie^ #								
2011	**336,721**	**20,000**	**1,970**	**17,900**	**-**	**105,011**	**-**	**481,602**
2010	316,900	40,000	2,243	27,062	-	33,000	-	419,205
*J Lloyd^*								
2011	**414,353**	**201,908**	**49,437**	**40,980**	**-**	**42,064**	**-**	**748,742**
2010	386,857	30,000	64,950	38,261	-	40,839	-	560,907
Other executives								
G Woods # (Commenced 16.11.09)								
2011	**229,138**	**15,000**	**83,873**	**22,662**	**-**	**-**	**-**	**350,673**
2010	97,021	-	28,468	9,359	-	-	-	134,848

* Other long term benefit for M.Bazley, B.Hingle and D.Keldie reflect a provision for the period 1 May 2008 to 30 April 2011 and is based on the achievement of predetermined performance targets set by the Board. The April 2011 values represent the final amount to be accrued under the long term incentive plan which operated to 30 April 2011. This plan was contingent on the achievement of predetermined performance targets set by the Board. Performance was based on a scorecard of 'financial', 'customer', 'governance', 'quality', 'safety' and 'operational' metrics.

^,# denotes one of the five highest paid executives of the Group (^) and/or Ricegrowers Limited (#) as required to be disclosed under the *Corporations Act 2001.*

18 *Details of remuneration (continued)*

(ii) Service agreements

The CEO, Gary Helou, has a service agreement in force until 1 May 2013. This prescribes his remuneration including short and long term incentives. Any payments that would be made under the incentive program would be based on the achievement of specified criteria. The CEO's service agreement may be terminated by either party. The company may terminate the CEO's employment by giving the lesser of 12 months notice or the period remaining to the end of the service agreement. The CEO may terminate employment by giving the company the lesser of 6 months notice or the period remaining to the end of the service agreement. Any variation to these terms may be mutually agreed.

(iii) Remuneration for Directors of Ricegrowers Limited

Following a review by expert remuneration consultants, at the Annual General Meeting held on 27 August 2010, shareholders approved a change to the structure of Directors remuneration which included the termination of the Retirement Benefit Scheme. Annual Non Executive Director fees were increased to a fixed annual fee pool of $750,000 with the Retirement Benefits Scheme "grandfathered" and paid on retirement at Board discretion. Prior to that, Directors remuneration had not increased since 2002.

	Short term benefits			**Post employment benefits**		**Other long term benefits**	**Share based payments**	**Total**
	Cash Salary and fees $	Bonus $	Non-Monetary Benefits $	Super - annuation $	Retirement benefits ^^ $	Bonus $	Equity Options /others $	$
GF Lawson AM								
2011	**138,000**	**-**	**-**	**12,420**	**(21,563)**	**-**	**-**	**128,857**
2010	81,332	-	-	7,320	(6,493)	-	-	82,159
DM Robertson								
2011	**80,880**	**-**	**-**	**7,110**	**(6,686)**	**-**	**-**	**81,304**
2010	56,688	-	-	4,932	(13,443)	-	-	48,177
*LJ Arthur **								
2011	**69,000**	**-**	**-**	**6,210**	**25,642**	**-**	**-**	**100,852**
2010	33,850	-	-	3,047	-	-	-	36,897
NG Graham								
2011	**67,880**	**-**	**-**	**5,940**	**883**	**-**	**-**	**74,703**
2010	36,244	-	-	3,092	(10,027)	-	-	29,309
G Helou^ #								
2011	**817,000**	**200,000**	**8,000**	**25,000**	**-**	**-**	**-**	**1,050,000**
2010	762,833	247,500	8,000	29,167	-	158,334	-	1,205,834
RA Higgins AO								
2011	**66,000**	**-**	**-**	**5,940**	**(9,003)**	**-**	**-**	**62,937**
2010	44,718	-	-	4,025	17,585	-	-	66,328
GL Kirkup								
2011	**66,000**	**-**	**-**	**5,940**	**(5,992)**	**-**	**-**	**65,948**
2010	33,346	-	-	3,001	20,490	-	-	56,837
GF Latta AM								
2011	**78,000**	**-**	**-**	**7,020**	**-**	**-**	**-**	**85,020**
2010	44,466	-	-	-	504	-	-	44,970
N McAllister								
2011	**63,000**	**-**	**-**	**5,670**	**(10,210)**	**-**	**-**	**58,460**
2010	32,086	-	-	2,888	(8,799)	-	-	26,175
AD Walsh								
2011	**63,000**	**-**	**-**	**5,670**	**(8,520)**	**-**	**-**	**60,150**
2010	35,362	-	-	3,183	(3,323)	-	-	35,222

^^ Any amounts owing under the previous Retirement Benefits Scheme have been "grandfathered" and will be paid on retirement at the board's discretion. The retirement benefits have been frozen and will no longer fluctuate. No interest is to apply on the "grandfathered" amount. Ricegrowers Limited's liability of $737,000 has been fully provided in previous years, therefore there will be no additional cost to the company. Director's superannuation entitlements have been netted off against the company's obligation to their retirement benefit. As a result, the company's obligation from year to year has fluctuated based on the performance of each of the directors' superannuation investment mix.

* As at 30 April 2010 L. Arthur achieved 2.68 years service, which under the previous retirement benefit scheme required the accrual of $25,642. This represents an accrual for a retirement benefit that was not previously provided for and has now been "grandfathered".

^# denotes one of the five highest paid executives of the Group (^) and/or Ricegrowers Limited (#) as required to be disclosed under the *Corporations Act 2001.*

No long term incentive has been determined for the Chief Executive Officer for the current year as it not capable of reliable estimation at this time.

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Directors' Report

19 Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

20 Rounding of amounts

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report and Financial Statements have been rounded off to the nearest thousand dollars or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors.

For and on behalf of the Board.

GF Lawson AM Chairman	DM Robertson Deputy Chairman

21 June 2011

Directors' Declaration

In the directors' opinion :

(a) the financial statements and notes set out on pages 10 to 46 are in accordance with the *Corporations Act 2001* , including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 April 2011 and of their performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that Ricegrowers Limited will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001.*

The declaration is made in accordance with a resolution of the directors.

For and on behalf of the Board.

GF Lawson AM
Director

DM Robertson
Director

21 June 2011

Auditor's Independence Declaration

As lead auditor for the audit of Ricegrowers Limited for the year ended 30 April 2011, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

S J Bourke
Partner
PricewaterhouseCoopers

Sydney
21 June 2011

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Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Income statements
For the year ended 30 April 2011

	Note	Ricegrowers Limited 2011 $000's	Ricegrowers Limited 2010 $000's	Consolidated 2011 $000's	Consolidated 2010 $000's
Sales revenue	**4**	**563,812**	618,726	**806,942**	815,094
Other revenue	**4**	**19,748**	13,623	**2,407**	2,368
Revenue from continuing operations		**583,560**	632,349	**809,349**	817,462
Other income	**5**	**1,427**	97	**1,615**	2,483
Reversal of fixed asset impairment	**15**	**1,029**	-	**1,029**	-
Changes in inventories of finished goods		**(56,810)**	(43,447)	**(54,230)**	(73,088)
Raw materials and consumables used		**(346,505)**	(425,076)	**(479,292)**	(499,088)
Employee benefits expense		**(42,893)**	(40,780)	**(73,333)**	(68,263)
Depreciation and amortisation expense	**6**	**(9,065)**	(9,246)	**(21,392)**	(21,583)
Finance costs		**(19,362)**	(13,323)	**(24,435)**	(18,995)
Other expenses	**6**	**(107,063)**	(84,711)	**(141,515)**	(123,727)
Share of net profit of associate accounted for using the equity method		**-**	-	**(296)**	314
Profit before income tax		**4,318**	15,863	**17,500**	15,515
Income tax expense	**7**	**(1,200)**	(4,805)	**(4,401)**	(3,766)
Profit for the year		**3,118**	11,058	**13,099**	11,749
Profit for the year is attributable to:					
Non-controlling interests		**-**	-	**408**	(422)
Ricegrowers Limited shareholders		**3,118**	11,058	**12,691**	12,171
		3,118	11,058	**13,099**	11,749

Earnings per share for profit attributable to B Class Shareholders

	Note			Consolidated 2011	Consolidated 2010
Basic and diluted earnings (cents per share)	**33**			**23.3**	24.5

The above income statements should be read in conjunction with the accompanying notes.

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Statements of comprehensive income
For the year ended 30 April 2011

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Profit for the year	**3,118**	11,058	**13,099**	11,749
Other comprehensive income				
Changes in fair value of cash flow hedges	**8,359**	3,233	**8,123**	4,473
Exchange differences on translation of foreign operations	**-**	-	**(4,052)**	(9,510)
Income tax relating to items of other comprehensive income	**(2,507)**	(971)	**(2,437)**	(1,347)
Other comprehensive income for the year, net of tax	**5,852**	2,262	**1,634**	(6,384)
Total comprehensive income for the year	**8,970**	13,320	**14,733**	5,365
Total comprehensive income for the year is attributable to:				
Non-controlling interests	**-**	-	**(741)**	(3,523)
Ricegrowers Limited shareholders	**8,970**	13,320	**15,474**	8,888
	8,970	13,320	**14,733**	5,365

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Balance sheets
As at 30 April 2011

	Note	Ricegrowers Limited		Consolidated	
		2011	2010	**2011**	2010
		$000's	$000's	**$000's**	$000's
Current assets					
Cash and cash equivalents	**8**	**12,610**	8,124	**15,820**	9,066
Receivables	**9**	**171,150**	171,461	**126,023**	118,364
Inventories	**10**	**245,555**	220,146	**355,384**	333,653
Current tax receivable		**-**	-	**65**	111
Derivative financial instruments	**13**	**10,214**	1,877	**10,214**	3,409
Total current assets		**439,529**	401,608	**507,506**	464,603
Non-current assets					
Receivables	**9**	**36,141**	43,840	**1,000**	1,237
Available-for-sale financial assets	**12**	**-**	-	**-**	3
Other financial assets	**11**	**4,204**	4,203	**91**	105
Property, plant and equipment	**15**	**64,114**	67,866	**206,304**	221,659
Investment properties	**17**	**2,700**	3,458	**2,700**	3,458
Intangible assets	**16**	**2,740**	3,212	**9,711**	10,174
Deferred tax assets	**18**	**11,129**	10,232	**16,888**	17,663
Investments accounted for using the equity method	**14**	**-**	-	**785**	1,106
Total non-current assets		**121,028**	132,811	**237,479**	255,405
Total assets		**560,557**	534,419	**744,985**	720,008
Current liabilities					
Payables	**19**	**38,876**	77,947	**66,191**	65,676
Grower payables	**19**	**86,170**	49,774	**86,170**	49,774
Borrowings	**20**	**128,644**	115,512	**172,958**	181,204
Current tax liabilities		**683**	2,568	**1,221**	4,209
Provisions	**21**	**7,980**	7,773	**10,026**	9,611
Derivative financial instruments	**13**	**601**	499	**2,077**	775
Total current liabilities		**262,954**	254,073	**338,643**	311,249
Non current liabilities					
Payables	**19**	**-**	-	**20,152**	32,336
Grower payables	**19**	**26,574**	11,807	**26,574**	11,807
Borrowings	**20**	**57,684**	57,968	**84,254**	99,075
Deferred tax liabilities	**22**	**4,669**	1,876	**6,895**	2,503
Provisions	**21**	**1,440**	1,668	**2,913**	3,037
Total non-current liabilities		**90,367**	73,319	**140,788**	148,758
Total liabilities		**353,321**	327,392	**479,431**	460,007
Net assets		**207,236**	207,027	**265,554**	260,001
Equity					
Contributed equity	**23**	**104,256**	101,017	**104,256**	101,017
Reserves	**24**	**25,406**	19,554	**20,603**	17,820
Retained profits	**24**	**77,574**	86,456	**130,373**	129,682
Total parent entity interest		**207,236**	207,027	**255,232**	248,519
Non-controlling interests		**-**	-	**10,322**	11,482
Total equity		**207,236**	207,027	**265,554**	260,001

The above balance sheets should be read in conjunction with the accompanying notes.

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Statements of changes in equity
For the year ended 30 April 2011

Consolidated

	Contributed equity $000's	Reserves $000's	Retained earnings $000's	Total $000's	Non-controlling interests $000's	Total $000's
Balance as at 1 May 2010	**101,017**	**17,820**	**129,682**	**248,519**	**11,482**	**260,001**
Profit for the year	**-**	**-**	**12,691**	**12,691**	**408**	**13,099**
Other comprehensive income	**-**	**2,783**	**-**	**2,783**	**(1,149)**	**1,634**
Total comprehensive income for the year	**-**	**2,783**	**12,691**	**15,474**	**(741)**	**14,733**
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	**3,239**	**-**	**-**	**3,239**	**-**	**3,239**
Dividends paid	**-**	**-**	**(12,000)**	**(12,000)**	**(419)**	**(12,419)**
	3,239	**-**	**(12,000)**	**(8,761)**	**(419)**	**(9,180)**
Balance as at 30 April 2011	**104,256**	**20,603**	**130,373**	**255,232**	**10,322**	**265,554**

	Contributed equity $000's	Reserves $000's	Retained earnings $000's	Total $000's	Non-controlling interests $000's	Total $000's
Balance as at 1 May 2009	58,072	21,103	129,073	208,248	15,211	223,459
Profit for the year	-	-	12,171	12,171	(422)	11,749
Other comprehensive income	-	(3,283)	-	(3,283)	(3,101)	(6,384)
Total comprehensive income for the year	-	(3,283)	12,171	8,888	(3,523)	5,365
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	42,945	-	-	42,945	-	42,945
Dividends paid	-	-	(11,562)	(11,562)	(206)	(11,768)
	42,945	-	(11,562)	31,383	(206)	31,177
Balance as at 30 April 2010	101,017	17,820	129,682	248,519	11,482	260,001

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Statements of changes in equity
For the year ended 30 April 2011

Ricegrowers Limited

	Contributed equity $000's	Reserves $000's	Retained earnings $000's	Total $000's
Balance as at 1 May 2010	**101,017**	**19,554**	**86,456**	**207,027**
Profit for the year	**-**	**-**	**3,118**	**3,118**
Other comprehensive income	**-**	**5,852**	**-**	**5,852**
Total comprehensive income for the year	**-**	**5,852**	**3,118**	**8,970**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	**3,239**	**-**	**-**	**3,239**
Dividends paid	**-**	**-**	**(12,000)**	**(12,000)**
	3,239	**-**	**(12,000)**	**(8,761)**
Balance as at 30 April 2011	**104,256**	**25,406**	**77,574**	**207,236**

	Contributed equity $000's	Reserves $000's	Retained earnings $000's	Total $000's
Balance as at 1 May 2009	58,072	17,292	86,960	162,324
Profit for the year	-	-	11,058	11,058
Other comprehensive income	-	2,262	-	2,262
Total comprehensive income for the year	-	2,262	11,058	13,320
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	42,945	-	-	42,945
Dividends paid	-	-	(11,562)	(11,562)
	42,945	-	(11,562)	31,383
Balance as at 30 April 2010	101,017	19,554	86,456	207,027

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Ricegrowers Limited
& Controlled Entities
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Cash flow statements
For the year ended 30 April 2011

	Note	Ricegrowers Limited 2011 $000's	Ricegrowers Limited 2010 $000's	Consolidated 2011 $000's	Consolidated 2010 $000's
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		**545,737**	665,597	**802,872**	849,854
Payments to suppliers (inclusive of goods and services tax)		**(378,268)**	(492,312)	**(521,823)**	(645,030)
Payments of wages, salaries and on-costs		**(42,878)**	(41,449)	**(73,007)**	(68,569)
Dividends received		**300**	3	**2**	3
Interest received		**2,261**	2,641	**584**	489
Other revenue		**928**	337	**1,546**	1,616
Interest paid		**(18,770)**	(13,216)	**(24,036)**	(19,703)
Subsidiary performance fees received		**8,731**	-	**-**	-
Income taxes paid		**(4,756)**	(34,256)	**(4,760)**	(35,332)
		113,285	87,345	**181,378**	83,328
Payments to growers		**(129,390)**	(40,468)	**(129,390)**	(40,468)
Net cash (outflow)/inflow from operating activities	**32**	**(16,105)**	46,877	**51,988**	42,860
Cash flows from investing activities					
Payments for property, plant and equipment		**(3,438)**	(3,459)	**(7,978)**	(8,932)
Proceeds from sale of property, plant and equipment		**-**	3,403	**434**	139
Payments for intangibles		**(81)**	-	**(968)**	(37)
Loans to related parties		**-**	(30,812)	**-**	-
Repayment of loans by related parties		**19,508**	4,000	**-**	-
Proceeds from sale of investment properties and investments		**808**	-	**812**	-
Net cash inflow/(outflow) from investing activities		**16,797**	(26,868)	**(7,700)**	(8,830)
Cash flows from financing activities					
Proceeds from borrowings		**196,151**	270,999	**196,153**	297,080
Repayment of borrowings		**(176,151)**	(315,199)	**(208,990)**	(325,996)
Proceeds from issue of shares		**-**	36,474	-	36,474
Repayment of rice bonds	**20**	**(6,862)**	(9,856)	**(6,862)**	(9,856)
Repayment of finance leases		**(583)**	(369)	**(623)**	(417)
RMB equity redemptions	**19**	**-**	-	**(5,766)**	(40,334)
Dividends paid to company's shareholders		**(8,761)**	(7,391)	**(8,761)**	(7,391)
Net cash inflow/(outflow) from financing activities		**3,794**	(52,154)	**(34,849)**	(50,440)
Net increase/(decrease) in cash and cash equivalents		**4,486**	(5,333)	**9,439**	(16,410)
Cash and cash equivalents at the beginning of the financial year		**8,124**	13,457	**5,241**	22,877
Effect of exchange rate changes on cash and cash equivalents		**-**	-	**(220)**	(1,226)
Cash and cash equivalents at end of year	**8**	**12,610**	8,124	**14,460**	5,241

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for Ricegrowers Limited as an individual entity and the consolidated entity consisting of Ricegrowers Limited and its subsidiaries.

(a) Basis of preparation of financial statements

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* .

Compliance with IFRS's
These financial statements of Ricegrowers Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment property.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the assets and liabilities of Ricegrowers Limited ("company" or "parent entity") as at 30 April 2011 and the results of all subsidiaries for the year then ended. Ricegrowers Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting.

The Group's share of its associates' post acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

(c) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

Transactions denominated in a foreign currency are converted at the exchange rate achieved over the reporting period. Inventory purchased in a foreign currency is translated at the underlying hedge rate achieved over the period. Foreign currency receivables and payables at balance date are translated at exchange rates current at that date. Resulting exchange gains and losses are recognised in the income statement except when deferred in equity as qualifying cash flow hedges.

The financial position of the Group entities that have a functional currency other than Australian dollars is translated into Australian currency at exchange rates existing at balance date and the exchange gain or loss arising on translation is recognised in other comprehensive income and presented in a foreign currency translation reserve. Revenues and expenses are translated at the average rate ruling during the year.

1 Summary of significant accounting policies (continued)

(d) Investments and other financial assets

Investments have been brought to account as follows:

(i) Subsidiaries
Investments in subsidiaries are valued in the Company's accounts at cost less any amounts provided for impairment. Dividends are brought to account when proposed by the subsidiaries.

(ii) Associates
Investments in associated corporations, where significant influence exists, are accounted for in the consolidated financial statements using the equity method. This is further detailed in note 1(b).

(iii) Other corporations
Investments in listed corporations are accounted for as available-for-sale financial assets. Investments in unlisted corporations, other than subsidiaries and associates, are valued at cost. Dividends are brought to account when the right to receive payment is established and interest is recognised using the effective interest method.

(iv) Available-for-sale financial assets
Available-for-sale financial assets comprise principally marketable securities. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale financial assets revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. The fair values of quoted investments are based on current bid prices. A prolonged and significant decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(v) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included within receivables in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. They are carried at amortised cost using the effective interest method.

(e) Investment property

Investment property comprises freehold land and buildings that were previously owner occupied. Owner occupation ceased and these properties are now classified as "Investment properties" as they are held for long term capital appreciation. These properties are carried at fair value representing open-market value determined by external valuers. Changes in fair value are recorded in the income statement as part of other income or expense.

(f) Inventory

Raw materials, finished goods, packaging materials and engineering and consumable stores have been valued on the basis of the lower of cost or net realisable value. Inventory purchased in a foreign currency is translated at the underlying hedge rate achieved over the reporting period. Raw materials, finished goods, packaging materials and engineering and consumable stores inventory are determined from a combination of weighted average purchase price and standard costs. Cost in relation to processed inventories comprises direct materials, direct labour and an appropriate allowance for milling, fixed and variable overheads less by-products recovery on the basis of normal operating capacity.

(g) Property, plant and equipment and leasehold improvements

Property, plant and equipment, other than freehold land, are stated at historical cost less depreciation and are depreciated over their estimated useful lives using the straight line method. Freehold land is held at cost and not depreciated.

Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The expected useful lives are as follows:

Buildings	25 to 50 years
Leasehold improvements	over the term of the lease
Leased plant and equipment	3 to 10 years
Plant and equipment	7 to 15 years

The profit or loss on disposal of property, plant and equipment in the normal course of business has been brought to account within operating profit.

Notes to the financial statements

1 Summary of significant accounting policies (continued)

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units).

Non-financial assets, other than goodwill, that have previously suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

Patents and brands are deferred and amortised on a straight line basis over the periods of their expected benefit which varies from 5 to 20 years.
Capitalised software and re-engineered systems are amortised over 3 years.

(j) Research and development costs
Research and development costs do not meet the relevant recognition and measurement criteria to be capitalised. As a result, such costs are charged as an expense in the year incurred.

(k) Receivables and accounts payable

External trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are due for settlement within 30 days from date of recognition. Bad debts are written off in the period in which they are identified. Collectability of trade receivables is reviewed on an ongoing basis. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement within other expenses. When a trade receivable for which a provision has been recognised becomes uncollectible in a subsequent period, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

Trade accounts payable including accounts not yet billed are recognised when the consolidated entity becomes obliged to make future payments as a result of provision of assets, goods or services. Trade accounts payable are unsecured and generally settled within 30 days.

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(m) Grower payables

Grower payables comprise the balance of pool payments owed to growers for the current and next financial year's paddy rice where this is received by the company before the balance date. The portion of the payable in respect of the current financial year is based on the final paddy price for the year, with a portion in respect of paddy rice received for the next financial year based on that year's budgeted paddy price.

(n) Employee benefits

Wages and salaries, annual and sick leave
Liabilities for wages and salaries and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in the provision for employee benefits in accordance with the relevant awards in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave
A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using interest rates on government securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Termination benefits
Termination benefits are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised in those employees affected that those terminations will be carried out.

Notes to the financial statements

1 Summary of significant accounting policies (continued)

(o) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination that, at the time of the transaction, did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Ricegrowers Limited and its wholly owned Australian controlled entities have adopted the tax consolidation legislation. The stand-alone taxpayer approach has been adopted. Under this approach each entity in the tax-consolidated group measures its current and deferred taxes as if it continued to be a separate taxable entity in its own right.

Both the head entity and the subsidiaries will continue to recognise deferred tax balances. All current tax balances will be assumed by the head entity. Any deferred tax assets arising from unused tax losses and unused tax credits will also be recognised in the head entity.

(p) Derivatives

Derivative financial instruments, principally interest rate swap contracts and forward foreign exchange contracts, are entered into mainly to hedge financial risks.

The Group designates derivatives as hedges. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity and in the hedging reserve. The gain or loss on the ineffective portion is immediately recognised in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss.

When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amount are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

Derivatives that form part of the hedging transaction are initially recognised at their fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

(q) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, duties, trade allowances and taxes paid. Sales revenue is recognised when the risks and rewards of ownership pass to the customer and it is probable that future economic benefits will flow to the entity. Revenue from the provision of services is recognised in the accounting period in which the service is performed. Dividends are recognised in revenue when the right to receive payment is established. Interest income is recognised on a time proportion basis at the effective interest rate. Subsidiary performance fees, grain storage income and other revenue is recognised on provision of the appropriate service.

(s) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases (note 15). Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 28). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

Notes to the financial statements

1 Summary of significant accounting policies (continued)

(t) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. 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.

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, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1 (i)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

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.

Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

(u) Segment reporting

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

(v) Provisions

Provisions are recognised when the settlement of a present obligation is probable. Any change in the provision amount is recognised in the income statement.

(w) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

(x) Comparatives

The classification of certain comparative figures may be amended to reflect changes in the presentation of these financial statements.

(y) Contributed equity

Contributed equity comprises B Class shares and is recognised when shares are fully paid for.

(z) Government assistance

Government assistance relating to costs is deferred and recognised in the income statement over the period necessary to match it with the costs that they are intended to compensate. Government assistance in the form of non interest bearing loans received before 1 May 2009 are stated at face value not fair value in accordance with AASB120 *Accounting for Government Grants and Disclosure of Government Assistance.*

(aa) Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to B Class shareholders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of B Class shares outstanding during the financial year, adjusted for bonus elements in shares issued during the year.

(ab) Commodity contracts

Commodity contracts for the purchase of raw materials do not qualify for hedge accounting. Changes in fair value of any such derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other revenue or expenses.

(ac) Rounding of amounts

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(ad) Parent entity information

The company has elected to include parent entity information in accordance with Class Order 10/654 issued by the Australian Securities and Investments Commission.

Notes to the financial statements

1 Summary of significant accounting policies (continued)

(ae) New accounting standards and interpretations

(i) AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013)
AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The standard will apply to the group's accounting for available-for-sale financial assets and only permits recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. As the group no longer holds available-for-sale financial assets there will be no impact on the group's financial statements.

(ii) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013)
On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Ricegrowers Limited is listed on the NSX and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

(iii) AASB 2010-6 *Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)
Amendments made to AASB 7 *Financial Instruments: Disclosures* in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any impact on the financial statements of the entity.

Notes to the financial statements

2 Financial risk management

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are mainly used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates and foreign exchange and ageing analysis for credit risk.

Financial risk management is executed under guidance from the Treasury Management Committee in accordance with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures mainly to the US dollar (USD), Hong Kong Dollar (HKD) and Euro (EUR).

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting. Translation related risks are not included in the assessment of the group's exposure to foreign currency risk.

Forward contracts are used to manage foreign exchange risk. Each subsidiary is responsible for managing exposures in each foreign currency by using external forward currency contracts.

The Group's risk management policy is to hedge its US dollar foreign currency denominated exposure arising from forecast sales and purchases for the subsequent 12 months at various levels depending on the period to anticipated sales and purchases.

The table below sets out the Group's and Ricegrowers Limited exposure to foreign currency risk at the reporting date denominated in foreign currency.

Consolidated - 30 April 2011	**2011 USD 000's**	**2011 HKD 000's**	**2011 EUR 000's**	2010 USD 000's	2010 HKD 000's	2010 EUR 000's
Cash	**3,502**	**2,121**	**-**	951	1	-
Trade receivables	**107,106**	**(2,155)**	**167**	116,977	(622)	333
Trade payables	**(77,014)**	**(128)**	**(115)**	(98,396)	-	(189)
Forward exchange contracts:						
-selling foreign currency	**(210,100)**	**-**	**-**	(147,000)	-	-
-buying foreign currency	**59,079**	**-**	**178**	36,819	-	1,246
Net exposure - selling currency/(buying currency)	**(117,427)**	**(162)**	**230**	(90,649)	(621)	1,390

Ricegrowers Limited	**2011 USD 000's**	**2011 HKD 000's**	**2011 EUR 000's**	2010 USD 000's	2010 HKD 000's	2010 EUR 000's
Cash	**2,811**	**2,121**	**-**	538	1	-
Trade receivables	**106,823**	**(2,155)**	**167**	116,302	(622)	333
Trade payables	**(4,580)**	**(128)**	**(115)**	(30,863)	-	(189)
Forward exchange contracts:						
-selling foreign currency	**(210,100)**	**-**	**-**	(147,000)	-	-
-buying foreign currency	**5,937**	**-**	**178**	-	-	955
Net exposure - selling currency/(buying currency)	**(99,109)**	**(162)**	**230**	(61,023)	(621)	1,099

Notes to the financial statements

2 Financial risk management (continued)

(i) Foreign exchange risk (continued)

Group sensitivity analysis

At 30 April 2011, had the US dollar moved by 10 cents to the Australian dollar with all other variables held constant, the Group's post tax profit for the year would have been $221,000 higher/lower (2010 - a change of 10 cents: $3,536,000 higher/lower) and other equity would have been $7,405,000 higher/lower (2010: $4,690,000) mainly as a result of foreign exchange gain/loss on translation of the US dollar.

The Group's exposure to other foreign exchange movements other than USD is not considered material.

Ricegrowers Limited sensitivity analysis

At 30 April 2011, had the US dollar moved by 10 cents to the Australian dollar with all other variables held constant, the Group's post tax profit for the year would have been $1,497,000 higher/lower (2010 - a change of 10 cents - $93,000 higher/lower) and other equity would have been $7,934,000 higher/lower (2010: $5,445,000) mainly as a result of foreign exchange gain/loss on translation of the US dollar.

The Company's exposure to other foreign exchange movements other than USD is not considered material.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed interest rates expose the Group to fair value interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps.

The Group and Ricegrowers Limited had the following variable rate borrowings and interest rate swap contracts outstanding:

30 April 2011	**Ricegrowers Limited**		**Consolidated**	
	Weighted average interest rate %	**Balance $000's**	**Weighted average interest rate %**	**Balance $000's**
Bank loans and bank overdrafts	**7.0**	**184,500**	**6.7**	**255,299**
Interest rate swap (notional principal amount)	**6.5**	**(28,000)**	**5.9**	**(46,000)**
Net exposure to cash flow interest rate risk		**156,500**		**209,299**

30 April 2010	Ricegrowers Limited		Consolidated	
	Weighted average interest rate %	Balance $000's	Weighted average interest rate %	Balance $000's
Bank loans and bank overdrafts	7.0	164,500	5.9	271,158
Interest rate swap (notional principal amount)	7.3	(28,000)	6.4	(46,000)
Net exposure to cash flow interest rate risk		136,500		225,158

An analysis by maturities is provided in (c) below.

Group sensitivity analysis

At 30 April 2011, if interest rates had changed by + / - 25 basis points from the year end rates with all other variables held constant, post tax profit for the year would have been $366,000 lower/higher (2010: $394,000 lower/higher) mainly as a result of higher/lower interest expense on variable borrowings.

Ricegrowers Limited sensitivity analysis

At 30 April 2011, if interest rates had changed by + / - 25 basis points from the year end rates with all other variables held constant, post tax profit for the year would have been $274,000 lower/higher (2010: $239,000 lower/higher) as a result of lower/higher interest expense on variable borrowings.

(iii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet as available-for-sale financial assets. The Group's exposure to movements in equity securities price risk is not considered material.

Notes to the financial statements

2 Financial risk management (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments with banks and financial institutions, as well as credit exposures to domestic and export customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of Moody's A3 or Standard and Poor's A minus are accepted. Domestic customers are assessed for credit quality taking into account their financial position, past experience, trade references, ASIC searches and other factors. Export customers trading terms are secured by letter of credit, telegraphic transfer, cash against documents or documentary collection and prepayment. Individual risk limits are set in accordance with the limits set by the Board. Compliance with credit limits is regularly monitored by management. Further information about the quality of receivables is set out in note 9.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying businesses, Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Financing arrangements

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

	Ricegrowers Limited		**Consolidated**	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Floating rate:				
Bank overdraft - expiring within one year	**3,845**	3,845	**9,507**	7,457
Bank loans - expiring within one year	**133,155**	128,155	**142,871**	156,550
Bank loans - expiring beyond one year	**-**	26,200	**2,500**	26,200
	137,000	158,200	**154,878**	190,207

For additional information on significant terms and conditions of bank facilities refer to note 20.

Maturities of financial liabilities

The tables below analyse the Group's and the Company's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at reporting date.

Consolidated - 30 April 2011	**Less than 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total contractual cash flows**	**Total carrying amount**
	$000's	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
Non-derivatives						
Non-interest bearing	**153,582**	**34,489**	**6,457**	**5,780**	**200,308**	**200,308**
Variable rate	**175,786**	**77,377**	**994**	**2,024**	**256,181**	**252,119**
Fixed rate	**1,293**	**3,548**	**1,166**	**-**	**6,007**	**5,093**
Total non-derivatives	**330,661**	**115,414**	**8,617**	**7,804**	**462,496**	**457,520**
Derivatives						
Interest rate swaps - net settled	**87**	**218**	**-**	**-**	**305**	**305**
Foreign currency contracts - gross settled						
(inflow)	**(244,317)**	**-**	**-**	**-**	**(244,317)**	**(10,214)**
outflow	**235,875**	**-**	**-**	**-**	**235,875**	**1,772**
Total derivatives	**(8,355)**	**218**	**-**	**-**	**(8,137)**	**(8,137)**

Consolidated - 30 April 2010	Less than 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Total carrying amount
	$000's	$000's	$000's	$000's	$000's	$000's
Non-derivatives						
Non-interest bearing	119,659	23,666	13,167	7,310	163,802	163,802
Variable rate	173,293	36,733	57,738	1,969	269,733	265,910
Fixed rate	13,490	1,141	1,196	-	15,827	14,369
Total non-derivatives	306,442	61,540	72,101	9,279	449,362	444,081
Derivatives						
Interest rate swaps - net settled	91	371	38	-	500	500
Foreign currency contracts - gross settled						
(inflow)	(184,578)	-	-	-	(184,578)	(3,409)
outflow	181,444	-	-	-	181,444	275
Total derivatives	(3,043)	371	38	-	(2,634)	(2,634)

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Notes to the financial statements

2 *Financial risk management (continued)*

(c) Liquidity risk (continued)

Ricegrowers Limited - 30 April 2011	**Less than 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total contractual cash flows**	**Total carrying amount**
	$000's	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
Non-derivatives						
Non-interest bearing	**125,729**	**26,574**	**-**	**-**	**152,303**	**152,303**
Variable rate	**131,482**	**57,339**	**468**	**-**	**189,289**	**186,328**
Total non-derivatives	**257,211**	**83,913**	**468**	**-**	**341,592**	**338,631**
Derivatives						
Interest rate swaps - net settled	**81**	**218**	**-**	**-**	**299**	**299**
Foreign currency contracts - gross settled						
(inflow)	**(211,048)**	**-**	**-**	**-**	**(211,048)**	**(10,214)**
outflow	**201,136**	**-**	**-**	**-**	**201,136**	**302**
Total derivatives	**(9,831)**	**218**	**-**	**-**	**(9,613)**	**(9,613)**

Ricegrowers Limited - 30 April 2010	Less than 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Total carrying amount
	$000's	$000's	$000's	$000's	$000's	$000's
Non-derivatives						
Non-interest bearing	130,289	11,807	-	-	142,096	142,096
Variable rate	111,266	688	57,534	-	169,488	166,618
Fixed rate	7,342	-	-	-	7,342	6,862
Total non-derivatives	248,897	12,495	57,534	-	318,926	315,576
Derivatives						
Interest rate swaps - net settled	91	370	38	-	499	499
Foreign currency contracts - gross settled						
(inflow)	(163,585)	-	-	-	(163,585)	(1,877)
outflow	161,708	-	-	-	161,708	-
Total derivatives	(1,786)	370	38	-	(1,378)	(1,378)

3 *Critical accounting estimates and judgements*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of assets

The Group tests for impairment of assets and goodwill in accordance with note 1(h). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations required the use of assumptions. Refer to note 16 for the details of these assumptions.

(ii) Raw material inventory and amounts payable to growers

Raw materials and amounts payable to growers in the parent entity are valued in accordance with the accounting policies in note 1(f) and (m).

4 *Revenue*

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Sales revenue				
Sale of goods	**563,812**	618,726	**804,279**	813,676
Services	-	-	**2,663**	1,418
	563,812	618,726	**806,942**	815,094
Other revenue				
Interest received	**3,406**	3,423	**584**	489
Dividends received	**361**	344	**2**	3
Other sundry items	**1,054**	879	**1,821**	1,630
Grain storage fee income	**-**	246	**-**	246
Subsidiary performance fee income	**14,927**	8,731	**-**	-
	19,748	13,623	**2,407**	2,368
	583,560	632,349	**809,349**	817,462

5 *Other income*

Fair value adjustment to investment properties	**50**	-	**50**	-
Net gain on debt forgiveness	**-**	-	**-**	640
Net gain on disposal of property, plant and equipment	**-**	-	**188**	-
Foreign exchange gains	**1,377**	97	**1,377**	1,843
	1,427	97	**1,615**	2,483

6 *Expenses*

Profit before income tax includes the following specific expenses:

Contributions to employee superannuation plans	**1,190**	1,129	**2,346**	2,039
Depreciation and amortisation				
Buildings	**873**	874	**7,550**	7,552
Plant and equipment	**7,580**	7,742	**12,332**	12,554
Leasehold improvements	**58**	60	**533**	549
Patents/brands and software	**554**	570	**977**	928
Total depreciation and amortisation expense	**9,065**	9,246	**21,392**	21,583
Other expenses				
Freight and distribution costs	**39,861**	27,544	**59,923**	50,933
AGS storage asset charge	**12,200**	12,540	**-**	-
Energy	**8,510**	4,877	**10,554**	7,523
Contracted services	**12,682**	8,745	**13,245**	10,676
Operating lease expenditure	**2,740**	2,867	**8,361**	7,714
Research and development	**1,522**	851	**904**	253
Advertising and artwork	**7,343**	4,938	**12,143**	8,540
Scheme of arrangement expenses*	**3,471**	-	**3,471**	-
Fair value adjustment to investment properties	**-**	650	**-**	650
Redundancy expenses	**659**	203	**659**	203
Net loss on disposal of property, plant and equipment	**1**	15	**-**	10
Net loss on sale of intangibles	**-**	13	**-**	13
Other	**18,074**	21,468	**32,255**	37,212
Total other expenses	**107,063**	84,711	**141,515**	123,727

*The business has incurred significant one off expenditure associated with the Proposed Scheme of Arrangement whereby Ebro Puleva SA made an unsolicited offer to acquire Ricegrowers Limited.

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7 *Income tax expense*

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
(a) Income tax expense	**$000's**	$000's	**$000's**	$000's
Current tax expense	**(3,447)**	(8,522)	**(5,080)**	(9,810)
Deferred tax benefit	**610**	3,687	**(2,639)**	6,282
Adjustments for current tax of prior periods	**1,637**	30	**3,318**	(238)
Income tax expense attributable to profit from continuing operations	**(1,200)**	(4,805)	**(4,401)**	(3,766)
Deferred income benefit/(expense) included in income tax expense comprises:				
Increase/(decrease) in deferred tax assets (note 18)	**874**	2,972	**(512)**	4,906
(Increase)/decrease in deferred tax liabilities (note 22)	**(264)**	715	**(2,127)**	1,376
	610	3,687	**(2,639)**	6,282

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before related income tax	**4,318**	15,863	**17,500**	15,515
Income tax expense calculated at the Australian rate of tax of 30% (2010: 30%)	**(1,295)**	(4,759)	**(5,250)**	(4,655)
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:				
Entertainment	**(19)**	(20)	**(34)**	(30)
Income from controlled foreign companies	**-**	(60)	**-**	(60)
Research & development	**76**	64	**85**	98
Sundry items	**(78)**	(1)	**(174)**	(96)
	(21)	(17)	**(123)**	(88)
Difference in overseas tax rates	**-**	-	**849**	672
Adjustments for prior periods	**116**	(29)	**123**	305
Income tax expense	**(1,200)**	(4,805)	**(4,401)**	(3,766)

(c) Tax expense relating to items of other comprehensive income				
Cashflow hedges	**2,507**	971	**2,437**	1,347
Foreign exchange differences due to translation	**-**	-	**91**	(336)
	2,507	971	**2,528**	1,011

(e) Tax consolidation legislation

Ricegrowers Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation as at 1 May 2004. The accounting policy in relation to this legislation is set out in note 1(o).

On adoption of the tax consolidation legislation as at 1 May 2004, the entities have entered into a tax funding agreement under which the wholly-owned entities fully compensate Ricegrowers Limited for any current tax payable assumed and are compensated by Ricegrowers Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Ricegrowers Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The funding amounts are recognised as current intercompany receivables or payables.

8 *Cash and cash equivalents*

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Cash at bank and on hand	**12,610**	8,124	**15,820**	9,066
	12,610	8,124	**15,820**	9,066

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents	**12,610**	8,124	**15,820**	9,066
Less: Bank overdraft (note 20)	**-**	-	**(1,360)**	(3,825)
Balances per statement of cash flows	**12,610**	8,124	**14,460**	5,241

(b) Risk exposure

The Group's and the parent entity's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

9 *Receivables*

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Current				
Trade receivables	**39,698**	35,944	**100,145**	78,380
Provision for impairment of receivables (note a)	**(44)**	(32)	**(105)**	(64)
	39,654	35,912	**100,040**	78,316
Other receivables	**2,017**	1,114	**3,040**	3,178
Owing by subsidiaries	**113,823**	125,782	**-**	-
GST receivable	**6,591**	1,896	**6,599**	1,929
Prepayments	**9,065**	6,757	**16,344**	34,941
	171,150	171,461	**126,023**	118,364
Non-current				
Loan receivable	**1,000**	1,237	**1,000**	1,237
Loans to subsidiaries	**35,141**	42,603	**-**	-
	36,141	43,840	**1,000**	1,237

(a) Impaired trade receivables

Nominal value of impaired trade receivables is as follows:

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
1 to 3 months	**14**	-	**15**	-
3 to 6 months	**104**	13	**104**	45
Over 6 months	**21**	68	**82**	68
	139	81	**201**	113

Impaired receivables mainly relate to customers that are in unexpectedly difficult economic situations.

Movements in the provision for impairment of trade receivables is as follows:

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
At 1 May	**32**	137	**64**	255
Provision for impairment recognised during the year	**19**	41	**57**	(28)
Receivables written off during the year as uncollectible	**(7)**	(146)	**(7)**	(146)
Foreign currency difference on translation	**-**	-	**(9)**	(17)
At 30 April	**44**	32	**105**	64

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

9 *Receivables (continued)*

(b) Past due but not impaired

The ageing of trade receivables past due and not impaired is as follows:

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Up to 3 months	**5,378**	4,687	**13,504**	10,508
3 to 6 months	**258**	17	**546**	333
	5,636	4,704	**14,050**	10,841

The other classes within receivables do not contain impaired assets and are not past due.

(c) Fair values

The Directors consider the carrying amount of trade receivables and amounts owing by subsidiaries approximate their fair value.

(d) Risk exposure

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

10 *Inventories*

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Raw materials	**171,915**	93,490	**212,669**	145,454
Finished goods	**65,540**	118,234	**126,680**	171,979
Packaging materials	**3,856**	4,357	**10,129**	10,708
Engineering and consumable stores	**4,244**	4,065	**5,906**	5,512
	245,555	220,146	**355,384**	333,653

11 *Other financial assets*

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Shares in subsidiaries	**4,173**	4,173	**-**	-
Other unlisted securities	**31**	30	**91**	105
	4,204	4,203	**91**	105

12 *Available-for-sale financial assets*

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
At beginning of year	**-**	-	**3**	4
Revaluation	**-**	-	**(2)**	(1)
Disposal	**-**	-	**(1)**	-
At end of year	**-**	-	**-**	3
Listed securities	**-**	-	**-**	3

The available-for-sale financial assets were sold in the 2011 year.

13 Derivative financial instruments

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Current assets				
Forward foreign exchange contracts (cash flow hedges)	**10,214**	1,877	**10,214**	3,409
	10,214	1,877	**10,214**	3,409
Current liabilities				
Interest rate swaps (cash flow hedges)	**299**	499	**305**	500
Forward foreign exchange contracts (cash flow hedges)	**302**	-	**1,772**	275
	601	499	**2,077**	775

(a) Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's financial risk management policies as set out in note 2.

(i) Interest rate swaps - cash flow hedges

The consolidated entity has entered into interest rate swap contracts that entitle it to receive interest at floating rates on notional principal amounts, and oblige it to pay interest at fixed rates on the same amounts. The interest rate swaps allow the consolidated entity to raise long-term borrowings at floating rates and effectively swap them into fixed rates. Under the interest rate swaps, the entity agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Consolidated

Swaps currently in place cover 38% (2010: 34%) of the core debt and AGS bank loans. The fixed interest rates range between 5.03% - 7.895% (2010: 5.03% - 7.895%) and the variable rates are between 4.94% and 7.95% (2010: 4.77% and 7.95%).

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Swaps currently in place cover 50% (2010: 50%) of the core debt bank loans. The fixed interest rates range between 5.43% - 7.895% (2010: 5.43% - 7.895%) and the variable rates are between 4.94% and 5.03% (2010: 4.15% and 4.52%) for the 90 day bank bill term, which at balance date was 4.97% (2010: 4.68%).

The gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into profit and loss when the hedged interest expense is recognised. There was no hedge ineffectiveness in the current or prior period.

(ii) Forward exchange contracts - cash flow hedges

The consolidated entity enters into forward foreign exchange contracts to buy and sell specified amounts of various foreign currencies in the future at a pre-determined exchange rate. The contracts are entered into to hedge certain firm purchase and sale commitments denominated in foreign currencies.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the balance sheet by the related amount deferred in equity.

(b) Risk exposure

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of derivative financial assets mentioned above.

14 Investments accounted for using the equity method

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Shares in associates	**-**	-	**785**	1,106

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the parent entity. Information relating to the associate is set out below.

Name of company	Principal activity	Ownership interest 2011	Ownership interest 2010
Pagini Transport (incorporated in Papua New Guinea)	Transport	**31.56%**	31.56%

	Consolidated	
	2011	2010
	$000's	$000's
(a) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	**1,106**	1,068
Share of loss after related income tax	**(296)**	(11)
Foreign currency difference	**(25)**	(276)
Other adjustments	**-**	325
Carrying amount at the end of the financial year	**785**	1,106
(b) Share of associates' profits/(losses)		
Loss before related income tax	**(296)**	(16)
Income tax benefit	**-**	5
Loss after related income tax	**(296)**	(11)

(c) Summarised financial information of associates	Assets	Liabilities	Revenues	Profits
	$000's	**$000's**	**$000's**	**$000's**
2011				
Pagini Transport	**7,884**	**5,396**	**1,581**	**(938)**
2010				
Pagini Transport	9,105	5,599	1,837	(35)

The associate operates on a non-coterminous year end of 31 December. The directors believe that the financial effects of any events or transactions since year end have not materially affected the financial position or performance of the associate.

15 Property, plant and equipment

	Ricegrowers Limited 2011 $000's	Ricegrowers Limited 2010 $000's	Consolidated 2011 $000's	Consolidated 2010 $000's
Freehold land				
At cost	**3,757**	3,757	**10,887**	11,275
	3,757	3,757	**10,887**	11,275
Buildings				
At cost	**47,171**	46,420	**181,521**	181,772
Less accumulated depreciation	**(20,161)**	(19,418)	**(54,160)**	(46,838)
	27,010	27,002	**127,361**	134,934
Leasehold improvements				
At cost	**863**	863	**9,546**	9,601
Less accumulated depreciation	**(402)**	(344)	**(2,849)**	(2,392)
	461	519	**6,697**	7,209
Plant and equipment				
At cost	**122,777**	119,273	**183,000**	181,293
Less accumulated depreciation	**(91,450)**	(85,319)	**(123,599)**	(116,089)
Under finance lease	**2,205**	2,055	**2,381**	2,261
Less accumulated depreciation	**(1,040)**	(715)	**(1,128)**	(777)
	32,492	35,294	**60,654**	66,688
Capital works in progress				
At cost	**394**	1,294	**705**	1,553
	64,114	67,866	**206,304**	221,659

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

Consolidated	**Land & Buildings $000's**	**Leasehold Improvements $000's**	**Plant & Equipment $000's**	**Capitalised WIP $000's**	**Totals $000's**
Carrying amount at 1 May 2010	**146,209**	**7,209**	**66,688**	**1,553**	**221,659**
Additions	**-**	**195**	**3,125**	**4,658**	**7,978**
Recognition of finance lease	**-**	**-**	**293**	**-**	**293**
Capital works in progress reclassifications	**821**	**88**	**4,542**	**(5,481)**	**(30)**
Reversal of impairment	**130**	**-**	**899**	**-**	**1,029**
Transfers/disposals/scrapping	**-**	**(19)**	**(227)**	**-**	**(246)**
Depreciation expense	**(7,550)**	**(533)**	**(12,332)**	**-**	**(20,415)**
Foreign currency differences	**(1,362)**	**(243)**	**(2,334)**	**(25)**	**(3,964)**
Carrying amount at 30 April 2011	**138,248**	**6,697**	**60,654**	**705**	**206,304**

Ricegrowers Limited	**Land & Buildings $000's**	**Leasehold Improvements $000's**	**Plant & Equipment $000's**	**Capitalised WIP $000's**	**Totals $000's**
Carrying amount at 1 May 2010	**30,759**	**519**	**35,294**	**1,294**	**67,866**
Additions	**-**	**-**	**-**	**3,438**	**3,438**
Recognition of finance lease	**-**	**-**	**293**	**-**	**293**
Capital works in progress reclassifications	**751**	**-**	**3,587**	**(4,338)**	**-**
Reversal of impairment	**130**	**-**	**899**	**-**	**1,029**
Transfers/disposals/scrapping	**-**	**-**	**(1)**	**-**	**(1)**
Depreciation expense	**(873)**	**(58)**	**(7,580)**	**-**	**(8,511)**
Carrying amount at 30 April 2011	**30,767**	**461**	**32,492**	**394**	**64,114**

The impairment reversal relates to fixed assets at Deniliquin Mill #2. With the return to normal paddy supply for the 2011/2012 year, production at Deniliquin Mill #2 has now recommenced. This, together with a favourable outlook for future crops, has resulted in a reversal of the impairment.

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Notes to the financial statements

15 Property, plant and equipment (continued)

Consolidated	Land & Buildings $000's	Leasehold Improvements $000's	Plant & Equipment $000's	Capitalised WIP $000's	Totals $000's
Carrying amount at 1 May 2009	155,530	9,462	75,450	2,739	243,181
Additions	18	24	1,763	7,127	8,932
Recognition of finance lease	-	-	1,386	-	1,386
Capital works in progress reclassifications	1,582	30	6,370	(7,982)	-
Transfers/disposals/scrapping	(25)	-	(101)	(23)	(149)
Depreciation expense	(7,552)	(549)	(12,554)	-	(20,655)
Foreign currency differences	(3,344)	(1,758)	(5,626)	(308)	(11,036)
Carrying amount at 30 April 2010	146,209	7,209	66,688	1,553	221,659

Ricegrowers Limited	Land & Buildings $000's	Leasehold Improvements $000's	Plant & Equipment $000's	Capitalised WIP $000's	Totals $000's
Carrying amount at 1 May 2009	32,075	694	41,650	696	75,115
Additions	-	-	-	3,459	3,459
Recognition of finance lease	-	-	1,386	-	1,386
Capital works in progress reclassifications	495	-	2,366	(2,861)	-
Transfers/disposals/scrapping	(937)	(115)	(2,366)	-	(3,418)
Depreciation expense	(874)	(60)	(7,742)	-	(8,676)
Carrying amount at 30 April 2010	30,759	519	35,294	1,294	67,866

Purchase of Rice Storage Assets

On 30 June 2006, Australian Grain Storage Pty Ltd, a controlled entity of Ricegrowers Limited, acquired the Rice Marketing Board's ("RMB's") network of rice receival and storage facilities for consideration of $125,771,312. Components of this purchase price are payable over a ten year period to assume the RMB's previous commitment to pay amounts owing to growers under the Capital Equity Rollover Scheme. The assets are pledged as security.

Repayment of the Capital Equity Rollover Scheme is interest free and is accounted for as government assistance with the face value of the scheme being matched against the unwinding of the interest expense.

Assets pledged as security
There are fixed and floating charges over all fixed assets.

16 Intangibles

	Ricegrowers Limited			**Consolidated**
	2011 $000's	2010 $000's	**2011 $000's**	2010 $000's
Goodwill	**185**	185	**3,169**	2,820
Patents and brands	**3,379**	3,379	**8,128**	8,633
Less accumulated amortisation	**(1,325)**	(1,154)	**(2,802)**	(2,426)
	2,054	2,225	**5,326**	6,207
Software	**2,818**	2,737	**3,787**	3,206
Less accumulated amortisation	**(2,350)**	(2,168)	**(2,604)**	(2,292)
	468	569	**1,183**	914
Other	**1,000**	1,000	**1,000**	1,000
Less accumulated amortisation	**(967)**	(767)	**(967)**	(767)
	33	233	**33**	233
	2,740	3,212	**9,711**	10,174

Consolidated	**Goodwill $000's**	**Brands $000's**	**Software $000's**	**Other $000's**	**Total $000's**
Carrying amount at 1 May 2010	2,820	6,207	914	233	10,174
Additions	352	-	647	-	999
Amortisation charge	-	(457)	(320)	(200)	(977)
Foreign exchange difference on translation	(3)	(424)	(58)	-	(485)
Carrying amount at 30 April 2011	3,169	5,326	1,183	33	9,711

Notes to the financial statements

16 Intangibles (continued)

Ricegrowers Limited	**Goodwill $000's**	**Brands $000's**	**Software $000's**	**Other $000's**	**Total $000's**
Carrying amount at 1 May 2010	185	2,225	569	233	3,212
Additions	-	-	82	-	82
Amortisation charge	-	(171)	(183)	(200)	(554)
Carrying amount at 30 April 2011	185	2,054	468	33	2,740

Consolidated	**Goodwill $000's**	**Brands $000's**	**Software $000's**	**Other $000's**	**Total $000's**
Carrying amount at 1 May 2009	2,826	7,595	413	433	11,267
Additions	-	-	37	-	37
Recognition of finance lease	-	-	726	-	726
Disposals	-	-	(13)	-	(13)
Amortisation charge	-	(479)	(249)	(200)	(928)
Foreign exchange difference on translation	(6)	(909)	-	-	(915)
Carrying amount at 30 April 2010	2,820	6,207	914	233	10,174

Ricegrowers Limited	**Goodwill $000's**	**Brands $000's**	**Software $000's**	**Other $000's**	**Total $000's**
Carrying amount at 1 May 2009	185	2,396	55	433	3,069
Recognition of finance lease	-	-	726	-	726
Disposals	-	-	(13)	-	(13)
Amortisation charge	-	(171)	(199)	(200)	(570)
Carrying amount at 30 April 2010	185	2,225	569	233	3,212

Goodwill is specific to each cash generating unit (CGU) and allocated as follows:

	2011 $000's	2010 $000's
Rice Milling and Marketing	**27**	30
Riviana Foods	**2,957**	2,605
Coprice	**185**	185
	3,169	2,820

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management for the forthcoming year. Cash flows beyond the following 2012 financial year are extrapolated using the estimated growth rates stated below.

Key assumptions used for value in use calculations

	Growth Rate		**Discount Rate**	
CGU	**2011**	2010	**2011**	2010
	%	%	**%**	%
Rice Milling and Marketing	**1.0**	1.0	**10.0**	10.0
Riviana Foods	**1.0**	1.0	**10.0**	10.0
Coprice	**1.0**	1.0	**10.0**	10.0

The discount rates used are pre-tax and reflect risks relating to the CGU's.

17 Investment properties

	Ricegrowers Limited			**Consolidated**
	2011	2010	**2011**	2010
At fair value	**$000's**	$000's	**$000's**	$000's
Opening balance at 1 May	**3,458**	4,108	**3,458**	4,108
Disposal	**(808)**	-	**(808)**	-
Net gain/(loss) from fair value adjustment	**50**	(650)	**50**	(650)
Closing balance at 30 April	**2,700**	3,458	**2,700**	3,458

Valuation basis

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The company had two investment properties. The Griffith site was valued in 2011 by a certified practising valuer. The sale of the Yenda site was finalised in 2011.

Notes to the financial statements

18 Deferred tax assets

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
The balance comprises temporary differences attributable to:				
Provisions	**3,200**	3,040	**4,354**	4,030
Accruals	**86**	891	**317**	1,057
Depreciation	**4,781**	3,751	**5,197**	4,057
Foreign exchange	**2,806**	2,338	**4,396**	3,045
Inventories	**-**	-	**1,073**	3,645
Other	**83**	63	**1,224**	1,596
	10,956	10,083	**16,561**	17,430
Cash flow hedges	**83**	-	**235**	84
Interest rate swaps	**90**	149	**92**	149
Total deferred tax assets	**11,129**	10,232	**16,888**	17,663

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Movements				
Opening balance at 1 May	**10,232**	7,697	**17,663**	13,257
Credited/(charged) to income statement	**874**	2,972	**(512)**	4,906
Foreign exchange differences on translation	**-**	-	**(357)**	336
(Charged)/credited to other comprehensive income	**23**	(437)	**94**	(836)
Closing balance at 30 April	**11,129**	10,232	**16,888**	17,663

19 Payables

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
Current	**$000's**	$000's	**$000's**	$000's
Trade and other payables	**21,675**	39,230	**54,412**	60,094
Amounts owing to the Rice Marketing Board (RMB) for RMB Equity Certificates	**-**	-	**11,779**	5,582
Owing to subsidiaries	**17,201**	38,717	**-**	-
Total external trade payables	**38,876**	77,947	**66,191**	65,676
Amounts payable to Australian ricegrowers	**86,170**	49,774	**86,170**	49,774
	125,046	127,721	**152,361**	115,450
Non-current				
Trade and other payables	**-**	-	**1,290**	1,511
Amounts owing to the Rice Marketing Board (RMB) for RMB Equity Certificates	**-**	-	**18,862**	30,825
Total external trade payables			**20,152**	32,336
Amounts payable to Australian ricegrowers	**26,574**	11,807	**26,574**	11,807
	26,574	11,807	**46,726**	44,143

The RMB equity certificates are non-interest bearing and are repayable by 2016.

(a) Fair values
The Directors consider the carrying amounts of trade and other payables approximate their fair values.

(b) Risk exposure
Information about the Group's and the parent entity's exposure to foreign exchange risk is provided in note 2.

20 Borrowings

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
Current	**$000's**	$000's	**$000's**	$000's
Secured				
Bank overdrafts	**-**	-	**1,360**	3,825
Bank loans	**128,000**	108,000	**170,921**	169,825
Lease liability (note 28)	**644**	650	**677**	692
Unsecured				
Rice bonds (note 27)	**-**	6,862	**-**	6,862
	128,644	115,512	**172,958**	181,204
Non current				
Secured				
Bank loans	**56,500**	56,500	**83,018**	97,508
Lease liability (note 28)	**1,184**	1,468	**1,236**	1,567
	57,684	57,968	**84,254**	99,075

Notes to the financial statements

20 Borrowings (continued)

(a) Significant terms and conditions of bank facilities

During the 2011 financial year, Ricegrowers Limited renegotiated its seasonal syndicated banking facility. The seasonal debt facility was increased to $265m from $240m and the maturity date was extended to 22 December 2011. The core debt facility was reduced from $82.7m to $56.5m (maturity date 9 December 2012). The total facility is $321.5m compared to $322.7m in the prior year.

The bank loans, including overdrafts and the facilities of the company, are secured by registered mortgages over all property, registered equitable mortgages over all assets, and a cross-guarantee between Ricegrowers Limited and subsidiary, Riviana Foods Pty Ltd, all of which are held in trust on behalf of the company's banks by CBA Corporate Services (NSW) P/L. In addition, debt covenants apply to the above bank loans.

The Trukai banking facilities are secured by registered mortgages over real property and a registered equitable mortgage over all Trukai assets.

(b) Fair values
The Directors consider the carrying amounts of bank overdrafts and loans approximate their fair values.

(c) Carrying amount of all assets pledged as security
There is a fixed and floating charge over all fixed assets disclosed in note 15.

(d) Risk exposure
Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 2.

	Ricegrowers Limited		**Consolidated**	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
The Group's bank loans are categorised as follows:				
Seasonal debt	**128,000**	108,000	**133,751**	132,787
Core debt	**56,500**	56,500	**84,188**	98,546
AGS debt	**-**	-	**36,000**	36,000
	184,500	164,500	**253,939**	267,333
Representing:				
Current bank loans	**128,000**	108,000	**170,921**	169,825
Non-current bank loans	**56,500**	56,500	**83,018**	97,508
	184,500	164,500	**253,939**	267,333

Seasonal debt
Seasonal debt represents borrowings used for the purpose of funding working capital requirements.

Core debt
Core debt represents borrowings used to fund fixed assets and investments.

AGS debt

The AGS debt represents loans to Australian Grain Storage Pty Ltd to pay the Rice Marketing Board annually as part of the acquisition of the RMB storage assets.

21 Provisions

	Ricegrowers Limited		**Consolidated**	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Current				
Employee benefits (note 29)	**7,154**	6,912	**9,189**	8,740
Employee allowances	**39**	39	**50**	49
Directors' retirement benefits	**787**	822	**787**	822
	7,980	7,773	**10,026**	9,611
Non current				
Employee benefits (note 29)	**1,440**	1,668	**2,913**	3,037
	1,440	1,668	**2,913**	3,037

(a) Aggregate employee entitlement benefits
Aggregate employee entitlements include benefits measured at present values of future amounts expected to be paid based on projected weighted average increase in wage and salary rates over an average period of 10 years. Present values are calculated using a weighted average rate of 5.44% based on government guaranteed securities with similar maturity terms.

(b) Fair values
The Directors consider the carrying amounts of provisions for employee entitlements, Directors' retirement benefits and other provisions approximate their fair values.

Notes to the financial statements

22 Deferred tax liabilities

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
The balance comprises temporary differences attributable to:				
Prepayments	**233**	12	**369**	264
Inventories	**1,357**	1,321	**1,651**	1,458
Investment property	**15**	9	**15**	9
Depreciation	**-**	-	**793**	24
Foreign exchange	**-**	-	**958**	-
Other	**-**	-	**45**	214
	1,605	1,342	**3,831**	1,969
Cash flow hedges	**3,064**	534	**3,064**	534
Net deferred tax liabilities	**4,669**	1,876	**6,895**	2,503
Movements				
Opening balance at 1 May	**1,876**	2,057	**2,503**	3,345
(Credited)/charged to profit and loss	**264**	(715)	**2,127**	(1,376)
Foreign exchange difference on translation	**-**	-	**(265)**	-
Charged/(credited) to other comprehensive income	**2,529**	534	**2,530**	534
Closing balance at 30 April	**4,669**	1,876	**6,895**	2,503

23 Contributed equity

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
(a) Share capital				
Fully paid Ordinary B Class Shares	**104,256**	101,017	**104,256**	101,017

(b) Movements in ordinary share capital (B Class Shares):

Date	Details	Number of shares	Issue price	$000's
1 May 2009	Balance	35,992,886		58,072
16 July 2009	Share Issue Offer	14,844,323	$ 2.53	37,605
16 July 2009	Share Issue Offer	546,101	$ 2.14	1,169
30 July 2009	Dividend Reinvestment	1,949,031	$ 2.14	4,171
1 May 2010	**Balance**	**53,332,341**		**101,017**
30 July 2010	Dividend Reinvestment (i)	1,369,647	$ 2.37	3,239
30 April 2011	**Balance**	**54,701,988**		**104,256**

B Class shares

B Class shares are non-voting shares with dividend rights.

(i) Dividend reinvestment
The Company has established a dividend reinvestment plan under which holders of B Class shares may elect to have all or part of their dividend entitlements satisfied by the issue of new B Class shares rather than by being paid in cash.

A Class shares

A Class shares have no nominal value but are voting shares held by active growers only.

At 30 April 2011, 794 (2010: 790) A Class shares were on issue.

23 Contributed equity (continued)

(c) Capital risk management

The Group's and Company's objectives when managing capital are to safeguard their ability to continue as a going concern, continue to grow the business, provide returns for shareholders and to maintain an optimal capital structure.

The objective of the Board is to reduce Ricegrowers Limited's gearing ratio to 70% over approximately the next four years. The Board has not determined how to raise the capital to achieve a gearing ratio of 70%, however it is considering using one or more of the following options; paddy price reductions, reduction in future dividends on B Class shares and raising external capital.

The group monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'borrowings' and 'RMB equity certificates' as shown in the balance sheet) less cash and cash equivalents. Total equity is calculated as 'equity' as shown in the balance sheet (including non-controlling interests).

The gearing ratios at 30 April 2011 and 30 April 2010 were as follows:

		Consolidated	
		2011	2010
	Notes	**$000's**	$000's
Total borrowings	20	**257,212**	280,279
Add: amounts owing to the RMB for equity certificates	19	**30,641**	36,407
Less: cash and cash equivalents	8	**(15,820)**	(9,066)
Net debt		**272,033**	307,620
Total equity		**265,554**	260,001
Gearing ratio		**102%**	118%

The gearing ratio at 30 April 2011 is at 102% compared to 118% at April 2010. The reduction is mainly due to a combination of timing of payments and receipt of the C2011 paddy crop, lower working capital at subsidiaries and an increase in the hedging reserves.

24 Reserves and retained profits

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
Reserves	**$000's**	$000's	**$000's**	$000's
General reserve	**18,657**	18,657	**28,453**	28,453
Asset revaluation reserve	**-**	-	**4,917**	4,917
Foreign currency translation reserve	**-**	-	**(19,157)**	(16,254)
Hedging reserve - cash flow hedges	**6,749**	897	**6,390**	704
	25,406	19,554	**20,603**	17,820

(a) Movements

	Ricegrowers Limited 2011	Ricegrowers Limited 2010	Consolidated 2011	Consolidated 2010
Foreign currency translation reserve				
Balance 1 May	**-**	**-**	**(16,254)**	(9,966)
Net exchange difference on translation of overseas controlled entities	**-**	**-**	**(2,903)**	(6,288)
Balance 30 April	**-**	**-**	**(19,157)**	(16,254)
Hedging reserve - cash flow hedges				
Balance 1 May	**897**	(1,365)	**704**	(2,298)
Revaluation and transfer to profit and loss - gross	**8,359**	3,233	**8,123**	4,364
Deferred tax	**(2,507)**	(971)	**(2,437)**	(1,347)
Foreign exchange difference	**-**	-	**-**	(15)
Balance 30 April	**6,749**	897	**6,390**	704
Retained profits				
Balance 1 May	**86,456**	86,960	**129,682**	129,073
Net profit for the year	**3,118**	11,058	**12,691**	12,171
Dividends provided for or paid	**(12,000)**	(11,562)	**(12,000)**	(11,562)
Balance 30 April	**77,574**	86,456	**130,373**	129,682

24 Reserves and retained profits (continued)

(b) Nature and purpose of reserves

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

(ii) General reserve

The general reserve has accumulated over prior periods with the purpose of retaining funds within the business.

(iii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 1(c). The reserve is recognised in profit and loss when the net investment is disposed of.

(iv) Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(p). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

25 Franked dividends

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Dividend declared during the year ended 30 April 2011 of 22.5 cents (2010: 22.5 cents) per fully paid share	**12,000**	11,562	**12,000**	11,562

The dividend of $11,999,782 relates to a dividend declared and paid in respect of the 2010 financial year and was fully franked.

The franked portions of the final dividends recommended after 30 April 2011 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 April 2012:

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Franking credits available for subsequent financial years based on a tax rate of 30% (2010 - 30%)	**35,822**	36,222	**35,822**	36,222

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:
(a) franking credits that will arise from the payment of the amount of the provision for income tax,
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

The impact on the franking account of the dividend recommended by the directors since the end of the reporting period, but not recognised as a liability at the reporting date, will be a reduction in the franking account of $4,219,868 (2010 – $5,142,764).

26 Contingencies

Contingent liabilities

The estimated maximum amounts of contingent liabilities not provided for in the accounts of Ricegrowers Limited and its controlled entities as at 30 April 2011 are:

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Letters of credit	**701**	7,088	**701**	7,088
Guarantee of bank advances	**692**	933	**1,512**	1,754
	1,393	8,021	**2,213**	8,842

Notes to the financial statements

27 Rice bonds

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Due for repayment:				
Within one year		6,862		6,862
	-	6,862	**-**	6,862
Representing:				
Current (note 20)		6,862		6,862
	-	6,862	**-**	6,862

Ricegrowers Limited issued Rice Bonds as an alternative funding mechanism. The bonds had repayment terms between 3 and 7 years and have now been repaid in full.

28 Commitments for expenditure

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
(a) Capital commitments (property, plant and equipment)				
Commitments for capital expenditure contracted for at reporting date but not recognised as liabilities payable	**420**	311	**2,187**	1,849

(b) Lease commitments	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities payable:				
Within one year	**2,923**	2,117	**8,618**	8,283
Later than one year but not later than five years	**6,133**	4,003	**15,213**	16,795
Later than five years	**408**	-	**6,055**	5,076
	9,464	6,120	**29,886**	30,154
Representing:				
Cancellable operating leases	**9,464**	6,120	**29,886**	30,154
Commitments in relation to finance leases are payable as follows:				
Within one year	**820**	863	**859**	913
Later than one year but not later than five years	**1,307**	1,722	**1,361**	1,832
Minimum lease payments	**2,127**	2,585	**2,220**	2,745
less: future finance charges	**(299)**	(467)	**(307)**	(486)
Recognised as a liability	**1,828**	2,118	**1,913**	2,259
Representing lease liabilities:				
Current (note 20)	**644**	650	**677**	692
Non current (note 20)	**1,184**	1,468	**1,236**	1,567
	1,828	2,118	**1,913**	2,259

Refer to note 15 for the carrying value of assets under finance lease.

29 Employee benefits

(a) Employee benefits and related on cost liabilities

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Provision for employee benefits (note 21)				
Current	**7,154**	6,912	**9,189**	8,740
Non-current	**1,440**	1,668	**2,913**	3,037
Aggregate employee entitlement benefits	**8,594**	8,580	**12,102**	11,777
Employee numbers	**Number**		**Number**	
Average number of employees during the year	**445**	437	**1,784**	1,679

(b) Superannuation plan/commitments

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

30 *Investments in subsidiaries*

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b).

Subsidiaries

Name of entity	Country of Incorporation	Principal activities	Direct/indirect interest in ordinary shares/equity	
			2011	2010
			%	%
SunRice Trading Pty Ltd	Australia	Distribution of rice	**100**	100
SunFoods LLC	USA	Processing and distribution of rice	**65**	65
Rice Research Australia Pty Ltd	Australia	Research into rice growing	**100**	100
Australian Grain Storage Pty Ltd	Australia	Grain Storage Assets	**100**	100
SunRice Australia Pty Ltd	Australia	Marketing	**100**	100
Silica Resources Pty Ltd	Australia	Investment	**100**	100
Riviana Foods Pty Ltd	Australia	Importation/distribution of food products	**100**	100
Trukai Industries Limited	PNG	Distribution of rice	**66.23**	66.23
Trukai (Wholesale) Limited	PNG	Distribution of rice	**66.23**	66.23
Rice Industries Limited	PNG	Property	**66.23**	66.23
Solomons Rice Company Limited	Solomon Islands	Distribution of rice	**100**	100
SunArise Insurance Company Ltd	Bermuda	Insurance	**100**	100
Aqaba Processing Company Ltd	Jordan	Rice packing/storage	**80**	80
Sunshine Rice, Inc	USA	Marketing	**100**	100

Non-controlling interests
Outside equity interests hold 540,320 Ordinary shares in Trukai Industries Pty Ltd, being 33.77% of the ordinary issued capital.

Outside equity interests hold 6,000 Ordinary shares in Aqaba Processing Company Limited, being 20% of the ordinary issued capital.
Outside equity interests hold 35,000 units in SunFoods LLC, being 35% of the operation.

31 *Related party transactions*

(a) Parent entity
The ultimate parent entity and controlling party within the Group is Ricegrowers Limited.

(b) Subsidiaries
Interests in subsidiaries are set out in note 30.

(c) Directors and other Key Management Personnel

(i) Directors and other Key Management Personnel compensation

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$	$	**$**	$
Short term employee benefits	**2,790,239**	2,517,758	**3,455,937**	2,999,565
Post-employment benefits	**115,551**	131,991	**156,531**	170,252
Other long-term benefits	**310,377**	267,334	**352,441**	308,173
Share-based payments	**-**	-	**-**	-
	3,216,167	2,917,083	**3,964,909**	3,477,990

Detailed remuneration disclosures are provided in note 17 and 18 of the Directors report.

(ii) Share holdings

	Directors' and other KMP interests in A and B Class shares of Ricegrowers Limited	
Director	**2011**	2010
GF Lawson AM	**330,140**	330,140
DM Robertson	**224,540**	224,540
LJ Arthur	**234,819**	234,819
NG Graham	**100,898**	100,898
G Helou	**54,000**	54,000
RA Higgins AO	**29,838**	29,838
GL Kirkup	**67,425**	67,425
GF Latta AM	**29,838**	29,838
N McAllister	**319,086**	319,086
AD Walsh	**473,323**	473,323

Other Key Management Personnel	**2011**	2010
M Bazley	**18,500**	18,500
B Hingle	**11,000**	11,000
D Keldie	**14,784**	13,500
J Lloyd	**-**	-

31 Related party transactions (continued)

The aggregate number of shares issued/(redeemed) to Directors of Ricegrowers Limited, their Director related entities and other Key Management Personnel during the year were:

Issuing entity	**2011**	2010
Ricegrowers Limited	**1,284**	1,081,490

All issues were made on terms and conditions no more favourable than those offered to other shareholders.

The aggregate number of shares held by Directors of Ricegrowers Limited, their related entities and other Key Management Personnel at balance date were:

Issuing entity	**2011**	2010
Ricegrowers Limited	**1,908,191**	1,906,907

Directors, their related entities and other Key Management Personnel received normal dividends on these ordinary shares.

(iii) Transactions with Directors and other Key Management Personnel

Transaction type and class of other party	**Ricegrowers Limited**	
	2011	2010
	$000's	$000's
Purchases of rice from Directors	**3,200**	1,596
Purchases of grain from Directors	**282**	65
Sale of inputs to Directors	**159**	58
Sale of stockfeed to Directors	**22**	19
Purchases of inputs from Directors	**-**	34

There were no transactions with other Key Management Personnel.

(d) Transactions with other related parties

During the year the company entered into the following transaction types with entities in the group; sale of rice and other rice products, purchase of paddy rice; receipt of performance fees and payment of licence and packaging fees; advancement of loans and receipt of loans. The transactions were made on negotiated terms and conditions and at market rates except for interest free loans between controlled entities.

	Ricegrowers Limited	
	2011	2010
	$000's	$000's
(i) Transaction type and class of other party		
Sale of rice to controlled entities	**179,660**	217,966
Purchase of rice from controlled entities	**101,465**	110,405
Dividends received from controlled entities	**360**	341
Subsidiary performance fee income	**14,927**	8,731
Interest revenue from controlled entities	**2,836**	2,958
Loans advanced to controlled entities	**-**	30,812
Loans repaid by controlled entities	**19,508**	4,000

(ii) Amounts receivable from and payable to entities in the group

	Ricegrowers Limited	
	2011	2010
	$000's	$000's
Aggregate amounts receivable at balance date from:		
- Current - controlled entities	**113,823**	125,782
- Non-current - controlled entities	**35,141**	42,603
	148,964	168,385
Aggregate amounts payable at balance date to:		
- Current - controlled entities	**17,201**	38,717

No provisions for impairment have been raised in relation to any outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Notes to the financial statements

32 Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities

	Ricegrowers Limited		Consolidated	
	2011	2010	**2011**	2010
	$000's	$000's	**$000's**	$000's
Profit for the year	**3,118**	11,058	**12,691**	12,171
Depreciation and amortisation	**9,065**	9,246	**21,392**	21,583
Loss/(gain) on sale/disposal of property, plant and equipment	**1**	15	**(188)**	10
Loss on sale/disposal of intangibles	**-**	13	**-**	13
Fair value revaluation of investment property	**(50)**	650	**(50)**	650
Reversal of impairment of fixed assets	**(1,029)**	-	**(1,029)**	-
Share of associates net profit	**-**	-	**296**	(314)
Debt forgiveness in relation to the RMB equity conversion	**-**	-	**-**	(640)
Changes in operating assets and liabilities, net of effect of acquisition of business				
(Increase)/decrease in trade and other receivables	**(11,378)**	11,190	**(4,292)**	(2,120)
(increase)/decrease in inventories	**(25,409)**	(10,564)	**(21,988)**	7,216
Increase in amounts payable to growers	**51,163**	40,881	**51,163**	40,881
Increase/(decrease) in trade and other creditors and employee entitlements	**(39,091)**	12,464	**(5,795)**	(3,687)
Decrease in provision for income taxes payable	**(1,885)**	(24,388)	**(2,941)**	(26,288)
(Increase)/decrease in deferred tax balances	**(610)**	(3,688)	**2,729**	(6,615)
Net cash (outflows)/inflows from operating activities	**(16,105)**	46,877	**51,988**	42,860

33 Earnings per share

(a) Basic and Diluted earnings per share	Consolidated	
	2011	2010
	Cents	Cents
Basic and diluted earnings per share	**23.3**	24.5

(b) Reconciliation of earnings per share	Consolidated	
	2011	2010
	$000's	$000's
Profit for the year	**12,691**	12,171

(c) Weighted average number of shares used as a denominator	Consolidated	
	2011	2010
	000's	000's
Weighted average number of B Class shares	**54,364**	49,647

34 Subsequent events

On 31 May 2011, shareholders voted on the Ebro proposal, which was not approved.
On 15 June 2011 the CEO, Gary Helou, tendered his resignation. The Board has agreed to a three months notice period and he will be leaving on 14 September 2011.
On 21 June 2011 the Directors declared a fully franked final dividend of 18.0 cents per share. The financial impact of this dividend will be recognised in the 2012 financial statements.
The Directors are not aware of any other matter or circumstance, since the end of the financial year, not otherwise dealt with in the report that has significantly, or may significantly, affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

Notes to the financial Statements

35 Segment information

Business segments

The following reportable segments have been identified based on a product/service perspective determined by the Corporate Management Team.

Rice Milling & Marketing (RM&M) - the milling, marketing and distribution of rice.
Riviana Foods (Riviana) - importation and distribution of food products.
Australian Grain Storage (AGS) - receival and storage of paddy rice in Australia
All other segments.

The Corporate Management Team evaluates results based on Contributed EBIT which is defined as gross profit after direct sales and marketing costs and excludes group financing expenses, centralised corporate services, one off expenses and other income. Other unallocated expenses refers to impairment losses, redundancy expenses, restructuring costs and unrealised gains/losses on financial instruments. Other revenue refers to management fees, dividends and sale of corporate assets.

Sales between segments are carried out at arms length and are eliminated on consolidation. The revenue from external customers, assets and liabilities are measured in a manner consistent with that of the financial statements. The segment result includes an asset financing charge that is allocated to the appropriate segment. The group's borrowings are not considered to be segment liabilities but rather managed by the Treasury function.

The following table sets forth the segment results for the year ended 30 April 2011.

	RM&M $000's	Riviana $000's	AGS $000's	All other segments $000's	Total $000's
Total segment revenue	517,168	143,405	23,051	163,000	846,624
Inter-segment revenue	(20,170)	-	(19,298)	(214)	(39,682)
Revenue from external customers	496,998	143,405	3,753	162,786	806,942
Other revenue					2,407
Total revenue from continuing operations					809,349
Contributed EBIT	27,163	19,436	5,451	27,396	79,446
Intersegment eliminations					336
Finance expense (net)					(23,427)
Centralised corporate services					(35,296)
Ebro scheme costs					(3,471)
Impairment reversal					1,029
Other unallocated (expenses)/income					(1,117)
Profit before income tax					17,500
Depreciation	8,864	1,500	7,055	3,973	21,392
Acquisitions of property, plant and equipment	4,112	2,100	136	1,630	7,978
Segment assets	526,588	89,033	109,210	82,223	807,054
Intersegment eliminations					(78,957)
Deferred tax assets					16,888
Total assets					744,985
Segment liabilities	172,775	30,174	63,533	21,209	287,691
Intersegment eliminations					(73,588)
Current tax liability					1,221
Deferred tax liabilities					6,895
Borrowings current					172,958
Borrowings non current					84,254
Total liabilities					479,431

Revenues of approximately $101,871,000 (2010: $97,343,000) are derived from a single external customer. These revenues are attributable to the Rice Milling and Marketing and Riviana segments.

Notes to the financial statements

35 Segment information (continued)

The following table sets forth the segment results for the year ended 30 April 2010.

	RM&M $000's	Riviana $000's	AGS $000's	All other segments $000's	Total $000's
Total segment revenue	532,340	140,834	12,540	169,960	855,674
Inter-segment revenue	(25,440)	-	(12,540)	(2,600)	(40,580)
Revenue from external customers	506,900	140,834	-	167,360	815,094
Other revenue					2,368
Total revenue from continuing operations					817,462
Contributed EBIT	36,241	13,545	5,470	20,656	75,912
Intersegment eliminations					(658)
Finance expense (net)					(18,178)
Centralised corporate services					(35,863)
Other unallocated (expenses)/income					(5,698)
Profit before income tax					15,515
Depreciation	9,394	1,326	6,973	3,890	21,583
Acquisitions of property, plant and equipment	4,023	886	291	3,732	8,932
Segment assets	517,694	87,234	113,202	83,280	801,410
Intersegment eliminations					(99,065)
Deferred tax assets					17,663
Total assets					720,008
Segment liabilities	159,420	19,976	69,500	17,394	266,290
Intersegment eliminations					(93,274)
Current tax liability					4,209
Deferred tax liabilities					2,503
Borrowings current					181,204
Borrowings non current					99,075
Total liabilities					460,007

Other segment information - geographical areas

	Australia $000's	PNG $000's	Other $000's	Total $000's
2011				
Revenues from external customers	**368,200**	**211,617**	**227,125**	**806,942**

	Australia $000's	PNG $000's	Other $000's	Total $000's
2010				
Revenues from external customers	377,002	212,112	225,980	815,094

Segment revenues are allocated based on the country in which the customer is located.

The total of non-current assets other than deferred tax assets located in Australia is $182,401,000 (2010: $193,560,000) and the total of these non-current assets located in other countries is $38,191,000 (2010: $44,182,000). Segment assets are allocated to countries based on where the assets are located.

36 *Remuneration of auditors*

During the year the following services were paid or payable to the auditor of the parent entity, its related practices and non-related audit firms:

(a) Assurance services

	Ricegrowers Limited		Consolidated	
Audit services	**2011**	2010	**2011**	2010
	$	$	**$**	$
Fees paid to PricewaterhouseCoopers Australian firm	**217,000**	296,000	**263,500**	371,110
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**-**	-	**120,095**	177,970
Fees paid to non-PricewaterhouseCoopers audit firm	**-**	-	**13,145**	16,111
Total remuneration for audit services	**217,000**	296,000	**396,740**	565,191
(b) Other assurance services				
Fees paid to PricewaterhouseCoopers Australian firm	**99,050**	58,122	**102,800**	58,122
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**-**	-	**10,894**	8,410
Total remuneration for other assurance services	**99,050**	58,122	**113,694**	66,532
Total remuneration for assurance services	**316,050**	354,122	**510,434**	631,723
(c) Taxation services				
Fees paid to PricewaterhouseCoopers Australian firm	**542,339**	429,640	**542,339**	429,640
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**-**	-	**16,721**	6,381
Fees paid to non-PricewaterhouseCoopers audit firm	**-**	-	**-**	1,197
Total remuneration for taxation services	**542,339**	429,640	**559,060**	437,218

It is the consolidated entity's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the consolidated entity are important. These assignments are principally tax advice or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the consolidated entity's policy to seek competitive tenders for all major consulting projects.

Independent auditor's report to the members of Ricegrowers Limited

Report on the financial report

We have audited the accompanying financial report of Ricegrowers Limited (the company), which comprises the balance sheet as at 30 April 2011, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Ricegrowers and the Ricegrowers Group (the consolidated entity). The consolidated entity comprises 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 is free from material misstatement, whether due to fraud or error. In Note 1, 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial report 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 entity'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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

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Auditor's opinion

In our opinion:

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

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 April 2011 and of its performance for the year ended on that date; and

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

(b) the financial report complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 3 to 6 of the directors' report for the year ended 30 April 2011. 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.

Auditor's opinion

In our opinion, the remuneration report of Ricegrowers Limited for the year ended 30 April 2011, complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of Ricegrowers Limited (the company) for the year ended 30 April 2011 included on Ricegrowers Limited web site. The company's directors are responsible for the integrity of the Ricegrowers Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report or the remuneration report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers

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S J Bourke
Partner

Sydney
21 June 2011