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 2016

For announcement to the market

				$A,000
Revenue	up	1.9 %	to	1,270,152
Profit (loss) for the period (after tax)	up	5.8 %	to	52,002
Profit (loss) for the period attributable to members of Ricegrowers Limited	up	13.0 %	to	49,077

Commentary on results for the period

The group's revenue for the year ended April 2016 of $1,270 million was higher by 1.9% compared to the prior year of $1,246 million.

Profit before income tax was $73.2 million compared to the prior year of $70.7 million.

Consolidated profit attributable to members of Ricegrowers Limited for the year ended April 2016 was $49.1 million compared to $43.4 million for the prior year. The increase in consolidated profit was driven by the successful execution of the Group's strategy to focus on premium branded markets, supplemented by global rice sourcing; and the significant improvement in performance of Riviana Foods.

The Directors have declared a fully franked final dividend of 33 cents per share, representing 37.5% of profit after tax attributed to members of Ricegrowers Limited.

Gearing at 30 April 2016 (calculated as net debt divided by net debt plus equity) was 31.8% compared to 30.5%.

The smaller crop of Riverina rice was sold into higher value branded markets, with a mix of increased prices and favourable exchange rates delivering returns that offset the higher conversion costs associated with lower throughput.
The Crop Year 15 (C15) Paddy Price for medium grain Reiziq was confirmed at $403.6 per tonne and the price for Koshihikari at $533.6 per tonne. This represents a 2.3% uplift in pricing year-on-year compared to the C14 paddy price of $394.62 per tonne for medium grain Reiziq.

Dividends	Current period	Previous corresponding period
Franking rate applicable:	100%	100%
Final dividend		
Amount per *security*	33.0 cents	26.0 cents
Franked amount per *security*	33.0 cents	26.0 cents
Special dividend		
Amount per *security*	-	5.0 cents
Franked amount per *security*	-	5.0 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 2016
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)	8 July 2016
If it is a final dividend, has it been declared?	Yes

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

Ricegrowers Limited Dividend Reinvestment Plan (DRP) has been suspended pending the completion of the review of the capital structure.

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*	6.84	6.37

Ricegrowers Limited
& Controlled Entities
ABN 55 007 481 156

Financial Report

30 April 2016

Contents

This financial report covers 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 2016.

Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Ricegrowers Limited and the entities it controlled at the end of, or during the year ended, 30 April 2016.

1. Directors

The following persons were Directors of Ricegrowers Limited during the financial period and up to the date of this report, unless otherwise stated:

LJ Arthur
NG Graham
G Andreazza
R Gordon
GL Kirkup
GF Latta AM
DM Robertson
LK Vial (appointed 21 August 2015)
J Bradford (appointed 26 August 2015)
I Glasson (appointed 25 February 2016)
AD Walsh (cessation of officeholder 21 August 2015)
PM Margin (cessation of officeholder 21 August 2015)

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 and selling of rice and grocery products and research and development into the growing of rice.

4. Consolidated entity result

The net profit of the Group for the period after income tax and after non-controlling interests was $49,077,000 (2015: $43,425,000).

5. Review of operations

Group consolidated revenue was $1,270 million, up 1.9% on the $1,246 million achieved in FY15. Revenue attributable to the Riverina Rice Pool business (including intercompany sales) was $474.2 million, down 17.6% on FY15, reflecting the smaller Riverina crop. Revenue attributable to SunRice's Profit businesses was 892.4 million, up 4.4% on the prior year, driven by strong growth in the International Rice and Rice Foods segments.

Net profit before tax for FY16 was $73.2 million, up 3.6% on the $70.7 million achieved in the prior year, and net profit after tax for FY16 was $52.0 million, up 5.8% on the $49.2 million achieved in the prior year.

More than $24 million in capital investment was made in FY16. This investment, which focused on safety and process improvements, is expected to provide a significant payback through improving production yields and quality. The total return on capital employed (ROCE)* of 15.1%, compared to 15.8% last year.

The SunRice Group's year end gearing (net debt to net debt plus equity ratio) was 31.8%, compared to 30.5% last year. The increase in gearing was due to higher net working capital, driven by higher international inventory levels and lower Riverina grower payables as a result of a smaller crop.

For our A Class grower shareholders, the Crop Year 15 (C15) Paddy Price for medium grain Reiziq was confirmed at $403.60 per tonne and the price for Koshihikari at $533.60 per tonne. This represents a 2.3% uplift in pricing year-on-year and a total return to growers of $278.6 million (based on Reizig price).

Growth in challenging environments
The SunRice Group performed strongly in dynamic and challenging operating environments in FY16, which included currency fluctuations, political instability and tightening trade conditions.

The smaller crop of Riverina rice was sold into higher value branded markets, with a mix of increased prices and favourable exchange rates delivering returns that were able to offset the higher conversion costs associated with lower throughput (Rice Pool). This included exceptional growth in SunRice's Middle East business in FY16, aided by continued investment in the region and the opening of a Dubai office.

In the International Rice segment, SunRice's strong presence in Pacific markets continued, however operational challenges impacted volume and profit in the Solomon Islands. SunRice's remaining consumer brands in the Pacific performed strongly.

Trukai Industries' achieved double digit revenue growth however profit was unfavourably impacted by the devaluation and illiquidity of the Papua New Guinean Kina.

SunRice's Asian business achieved a 28% uplift in volume growth in FY16. E-commerce sales commenced to China and an office was opened in Singapore to assist in building ongoing relationships with key stakeholders, as well as to more closely monitor Asian growth markets.

Domestically, collaboration with major retail and wholesale accounts underpinned strong performances across several Australia New Zealand channels in FY16, delivering above category growth. Strong performances were delivered across the Australian food service and food ingredients and New Zealand retail businesses, with market share gains also recorded for core rice, microwave and rice snacks. Strong achievements in manufacturing flexibility and collaboration also underpinned a year-on-year volume growth of 8% for Rice Cakes and 24% for Rice Flour (Rice Food segment).

Riviana Foods increased profitability in FY16, delivering a 95.6% uplift in net profit before tax, despite an increasingly competitive retail and food service environment that resulted in a small revenue decline. The relaunch of the Always Fresh brand across 90 Australian product lines was completed as the year closed, with related volume and profit gains anticipated for FY17.

CopRice's external revenue was flat year-on-year, with strong growth in branded products offsetting difficult trading conditions in the dairy segment, particularly in Victoria. CopRice also expanded into the premium pet food category in FY16, providing a future new driver for revenue growth in Australia, as well as potential export opportunities in Asia for the future.

**ROCE is measured as the ratio of Profit Before Income Tax and Interest to Net Assets excluding Cash and Borrowings.*

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 Group that occurred during the financial period under review, not otherwise disclosed in the Annual Report.

7. Events subsequent to the balance sheet date

On 21 June 2016 the Directors have declared the payment of a fully franked final dividend of 33 cents per share. The aggregated amount of the proposed dividend expected to be paid out of retained earnings at 30 April 2016, but not recognised as a liability at year end is $18,401,812.

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 Group, 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

Lower volumes from the recently completed harvest in the Riverina for C16 produced approximately 242,538 tonnes largely in line with expectations. This crop has a guaranteed price of $415 per tonne for Reiziq. As previously announced this will require a paddy price supplement which is likely to be offset from increased profits of our global trading activities. To service and maintain branded markets, new international supplier arrangements have or are in the process of being concluded contributing to approximately 400,000 metric tonnes. In addition, SunFoods reconfigured its operations to recommence supplying medium grain to key markets usually fulfilled by Riverina rice. The resumption of this critical role is anticipated to return SunFoods to profitability in FY17, building on improvements in our U.S. subsidiary's performance in FY16.

The Group's performance, in particular Rice Pool, International Rice, Rice Food and Riviana segments is subject to currency fluctuations due to the significant import/export component of its operations. More specifically Trukai, part of the International Rice segment, is potentially impacted by the availability of USD in PNG and fluctuation in USD/Kina exchange rate for which hedging opportunities are limited. In line with earlier guidance, a sudden devaluation of the Kina would have a material impact on SunRice Group, and we continue to closely monitor this and related issues.

The board have offered a fixed volume contract for the financial year ending 30 April 2018 priced at $400 per tonnes for Reiziq. This decision was taken to provide greater certainty for our growers when making planting decisions.

The completion of the capital restructure has been delayed due to issues with a joint venture partner. The board remains committed to achieve this transformation which is in the best interests of the business, growers and shareholders.

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

9. Environmental regulation

The Group is subject to significant environmental regulation in respect of its land development, construction and manufacturing activities, including:

- Land development planning approvals under the *New South Wales Environmental Planning and Assessment Act 1979* and *Victorian Environmental Protection Act 1970*; and
- Compliance with *Protection of the Environment Operations Act 1997*, the *Environmentally Hazardous Chemicals Act 1985* and the *Waste Avoidance, Resource Recovery Act 2001* and *QLD Environmental Protection Act 1994*.

SunRice has 18 registered EPA licences in NSW and one Development Approval in Queensland. All sites completed and submitted their annual returns in FY15, and all NSW sites were successfully audited by the EPA during the year.

Any complaints received in relation to environmental issues are investigated and action plans implemented to reduce the impact of Ricegrowers Limited's activities.

Greenhouse gas and energy data reporting requirements

The group is subject to the reporting requirements of the *National Greenhouse and Energy Reporting (NGER) Act 2007.*

SunRice assessed its energy usage and submitted its National Greenhouse and Energy Report to the Clean Energy Regulator during FY16, reporting of direct and indirect emissions within Australian Operations. The consumption of 543,266 gigajoules of energy and calculated emissions of 99,274 tonnes of CO_2 were reported for the reporting period against 547,003 gigajoules and 102,165 tonnes of CO_2 respectively in FY15.

The Group is working with the NSW OEH Energy Efficient Businesses to identify and implement energy savings opportunities for the future.

10. Paddy supply

The paddy supply for FY17 from Riverina ricegrowers is expected to be approximately 242,538 tonnes (FY16 690,272 tonnes).

11. Top Ten Shareholders

The following table represents the top ten shareholders as at 30th April 2016.

Rank	Shareholder	No. of B Class Shares
1	Menegazzo Enterprises Pty Ltd	2,787,748
2	Australian Food & Agriculture Company Limited	2,365,086
3	Germanico Super Pty Ltd	810,625
4	Dellapool Nominees Pty Ltd	807,809
5	Indara Holdings Pty Ltd	622,526
6	Mr Alan David Walsh	492,285
7	Industry Designs Pty Ltd	467,290
8	Taurian Pty Ltd	402,529
9	Ambo Farms Pty Ltd	351,479
10	GF & SB Lawson Pty Ltd	330,139

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			
		2016		2015
Director	**A Class Shares**	**B Class Shares**	A Class Shares	B Class Shares
LJ Arthur	**1**	**233,818**	1	233,818
NG Graham	**1**	**100,897**	1	100,897
GA Andreazza	**1**	**80,279**	1	80,279
GL Kirkup	**1**	**67,424**	1	67,424
GF Latta AM	**–**	**29,838**	–	29,838
DM Robertson	**1**	**224,539**	1	224,539
LK Vial	**2**	**104,570**	–	–
J Bradford	**2**	**30,663**	–	–

R Gordon and I Glasson do not hold any shares.

14. Directors' meetings

	RL Board		**F & A Committee**		**Grower Services Committee**		**Remuneration Committee**		**Nomination Committee**		**SHE Committee**	
	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible
LJ Arthur	26	26	4	–	4	–	4	4	3	3	–	–
NG Graham	26	26	4	4	4	4	4	4	3	3	–	–
G Andreazza	25	26	–	–	4	4	–	–	–	–	3	3
R Gordon	25	26	4	4	–	–	–	–	–	–	2	3
GL Kirkup	26	26	4	4	3	3	–	–	–	–	3	3
GF Latta AM	26	26	4	4	4	4	4	4	3	3	3	3
DM Robertson	26	26	3	4	–	–	–	–	–	–	1	2
LK Vial	20	20	2	2	–	–	–	–	–	–	–	–
J Bradford	19	20	–	–	2	2	–	–	–	–	–	–
I Glasson	4	5	1	1	–	–	–	–	–	–	–	–
AD Walsh	6	6	–	–	2	2	–	–	–	–	2	2
PM Margin	6	6	1	1	–	–	1	1	–	–	–	–

In certain circumstances, Directors may be invited to attend and contribute to meetings of committees of which they are not members.

There were 11 regular Board meetings during the year with the balance devoted to capital restructure and other matters.

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 2001*. 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 in the remuneration report.

Several Directors sit on local Boards which serve the rice industry as disclosed in the Annual Report. The Group has dealings with these Boards and Committees whose purpose is to deal with issues that relate to the rice industry.

17. Non-audit services

Refer to the note 37 of the financial statements.

18. Remuneration report (audited)

Executive Summary

At Ricegrowers Limited, our remuneration framework is designed to create value for our shareholders by aligning the remuneration and benefits strategy to the achievement of business goals. This underpins our ability to attract, motivate and retain high-performing people.

FY16 has been a year of growth for Ricegrowers Limited. The Group consolidated revenue was a record $1,270 million, up 1.9% year-on-year.

Net profit before tax was $73.2 million, up 3.6% year-on-year, and net profit after tax was $52.0 million, up 5.8% year-on-year.

Performance Results

	FY12	FY13	FY14	FY15	**FY16**
Group NPBT $000s	54,635	57,347	54,039	70,650	**73,172**
Paddy Supplement / (Retention)[1]	(16,000)	–	–	–	**–**
Medium Grain Paddy Price ($ / t)	255.0	317.0	294.0	394.6	**403.6**
Earnings per Share (cents)[1]	57.3	57.9	53.3	77.9	**88.0**
Return on Capital Employed (%)[1,3]	11.7%	13.6%	14.1%	15.8%	**15.1%**
Dividend (cents per B Class Share)	18.0	23.0	23.0	31.0	**33.0**
Average STI payment as a % of Maximum STI opportunity for Key Management Personnel[2]	77.1%	86.0%	91.4%	73.8%	**83.7%**

1. The NPBT used to evaluate performance includes key adjustments. In 2012, retention was applied from the paddy pool to the value of $16m. The FY12 ROFE calculation excludes this retention of $16m ($20/t).
2. Ricegrowers Limited CEO is excluded and participates under a separate STI plan. Maximum STI payout is capped at 125% of Target Value.
3. ROCE defined as the ratio of Profit Before Income Tax and Interest to Net Assets excluding Cash and Borrowings.

The Board is very pleased with the continued growth trajectory of Ricegrowers Limited, and the strong vision and leadership of our Chief Executive Officer ("CEO"). During this financial year, the Board undertook a review of the CEO's contract and remuneration. Due consideration was given to the year-on-year performance achievements of the business along with a comprehensive independent market benchmarking exercise. A remuneration market increase was made to ensure the CEO's Fixed Annual Remuneration is in line with peer groups and reflective of the business that Ricegrowers Limited is today.

18. Remuneration report (audited) (continued)

This Remuneration Report is audited and has been prepared in accordance with requirements of the *Corporations Act 2001* (Cth).

Outline of this Remuneration Report

The Remuneration Report has the following sections:

1. Overview
2. Key Management Personnel
3. Remuneration Governance at Ricegrowers Limited
4. Executive Remuneration Policy and Framework
5. Remuneration tables
6. Remuneration of Non-Executive Directors
7. Voting and comments made at Ricegrowers Limited's Annual General Meeting

1. Overview

The Directors are pleased to provide shareholders with this Remuneration Report for the year ended 30 April 2016, which outlines the Board's approach to remuneration for Non-executive Directors, Executive Directors and other Key Management Personnel (KMP).

The information in this report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

2. Key Management Personnel

In determining the Key Management Personnel ("KMP"), the Directors have applied the definition in the *Corporations Act 2001* (Cth) and the corresponding definition in the Australian Accounting Standards, being the Directors of Ricegrowers Limited during the year and any other person who, during the year, had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

Note that for the purpose of this Remuneration Report, the term 'Executive' is used to describe current and former Executives of the Group listed below (including the Executive Director). These Executives, in addition to the Non-Executive Directors represent the Key Management Personnel of the Group.

The Key Management Personnel of the Group for the year ended 30 April 2016 were:

Name	Position
A) Current Directors (including the Executive Director)	
LJ Arthur	Non-Executive Director and Chairman
NG Graham	Non-Executive Director
GA Andreazza	Non-Executive Director
RF Gordon	Executive Director and CEO
GL Kirkup	Non-Executive Director
GF Latta AM	Non-Executive Director (Independent)
DM Robertson	Non-Executive Director
LK Vial	Non-Executive Director (commenced 21 August 2015)
JMJ Bradford	Non-Executive Director (commenced 26 August 2016)
ID Glasson	Non-Executive Director (Independent) (commenced 25 February 2016)
B) Former Directors	
PM Margin	Non-Executive Director (Independent) (retired 21 August 2015)
AD Walsh	Non-Executive Director (retired 21 August 2015)
C) Current Executives	
JH Brennan	Chief Financial Officer
M Bazley	General Manager, International Commodity & Trading
D Keldie	General Manager, Consumer Markets

18. Remuneration report (audited) (continued)

2. Key Management Personnel (continued)

D) Former Executives

G Woods	General Manager, AGS and CopRice

3. Remuneration Governance

The Remuneration Committee is responsible for making recommendations to the Board in respect of Directors and Executives remuneration. The Remuneration Committee makes no formal decisions on behalf of the Group, other than the decision to appoint Remuneration Consultants as necessary. Committee members are outlined in the Directors' Report and the Remuneration Committee Charter is available on the Group's website.

3.1 Remuneration Consultants

During the reporting period the Group engaged Hay Group, Aon Hewitt and Mercer to undertake a benchmarking exercise. They provided advice on executive remuneration benchmarking, including current market practices. They did not provide "remuneration recommendations" for the purposes of the Corporations Act.

3.2 Corporate Governance

Further information on the Committee's responsibilities and the Group's governance practices can be found in our Corporate Governance Statement and Share Trading Policy available at https://www.sunrice.com.au/corporate/policies-and-documentation/9-share-trading-policy/.

4. Executive Remuneration Policy and Framework

The Remuneration Strategy implemented in 2013 provides the Remuneration Committee with the parameters for governing Executive remuneration. The purpose of the strategy is to ensure that remuneration outcomes are linked to the Group's performance and aligned with shareholder outcomes.

The Remuneration Framework outlined below has been designed to fit the objectives of Ricegrowers Limited and its subsidiaries around the world, having regard to the size and complexity of the Group's operations.

Ricegrowers Limited Business Strategic Goals	Maximise grower returns by optimising market, channel and varietal mix Grow shareholder value and increase resilience of earnings by pursuing diversified and stable growth Top quartile, year on year profitability growth, and sustainable grower returns
Remuneration Strategy	To provide competitive remuneration that is broadly in-line with appropriate market practice. Remuneration at Ricegrowers is designed to provide market competitive remuneration opportunities for sustainable performance in line with strategic expectations; encourage balanced outcomes for all stakeholders being shareholders, rice growers, employees and the communities in which we operate; reward for outputs and behaviours (i.e. the 'what' and the 'how'); promote a balance between short-term and long-term goals; align the financial interests of executives and shareholders; and not encourage excessive risk taking.

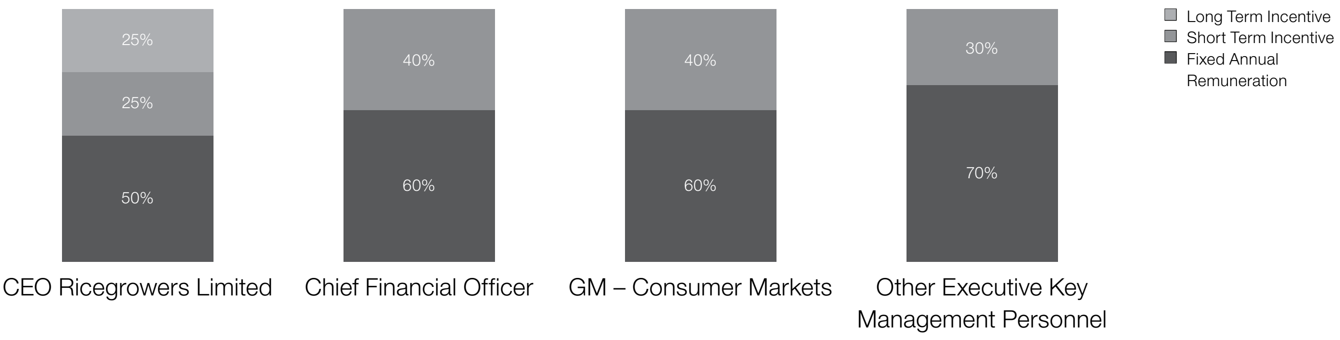
18. Remuneration report (audited) (continued)

4. Executive remuneration policy and framework (continued)

Remuneration Framework	Fixed remuneration	Variable 'at risk' remuneration	
	Position around the median of the market. A remuneration range of 15% either side will apply at fixed remuneration and is based mainly on size and complexity of the role, and skills and competencies needed to generate results. In some circumstances, the local economic and market conditions may require further refined positioning compared to the market.	*Short Term Incentive (STI)* Aligned to the achievement of Ricegrower Limited's business objectives measured over the short term. Financial and non-financial KPIs based on performance goals consisting of: – Maximising net profit across the Group and within each Business Unit or Subsidiary. – The achievement of Safety, Health and Environment targets. – Individual performance components, which include leadership, innovation, process improvement and customer focus	*Long Term Incentive (LTI)* The CEO is eligible to participate in a LTI plan that is focused on the achievement of targets set by the Board over the three-year period. It is reflective of building long term value for the organisation and shareholders over the longer term.

4.1. Remuneration mix

The Board believes it is appropriate to have a Remuneration Framework that consists of a fixed component as well as an at-risk component consisting of short and long term incentives. The Group's mix of fixed and "at risk" components for the KMP for FY16, expressed as a percentage of total target reward, was as follows.



4.2. CEO Remuneration Review

In setting Executive remuneration and specifically the CEO remuneration, the Board undertakes a robust process to ensure:

- Remuneration is reflective of the market
- Variable "at risk" remuneration encourages Executives to meet and exceed short and medium-term targets
- Remuneration attracts, retains and motivates key employees; and
- Financial interests of executives and shareholders are aligned.

During the period, the Remuneration Committee engaged the Hay Group, Mercer and Aon Hewitt to undertake an independent review of the CEOs remuneration.

18. Remuneration report (audited) (continued)

4. Executive remuneration policy and framework (continued)

4.2. CEO Remuneration Review (continued)

The independent benchmark review reflects organisations of a similar industry and or financial size. The key outcomes of this review were:

- The Fixed Annual Remuneration for the CEO was considered below the positioning the Board considered appropriate, in line with our strategy to pay at the 50th percentile.
- The CEO was paid a higher variable remuneration than peers in the market for the strong performance over the past three years.
- Overall, when taking into account fixed and variable remuneration, the CEO's total remuneration was lower than the median (50th percentile of the market).

In addition the Board considered the year on year performance of the business since the appointment of the CEO in February 2012. This business performance is reflected positively across all metrics as outlined below.

	NPAT	ROCE	Paddy Price
FY13	$36.0m	13.6%	$317.34
FY14	$33.5m	14.1%	$293.61
FY15	$49.2m	15.8%	$394.62
FY16	$52.0m	15.1%	$403.60
Overall growth since appointment of CEO	**44%**	**150 basis points**	**27%**

Consequently, an increase to the CEO's Fixed Annual Remuneration was made to $1,200,000 per annum effective May 2015. The Board considers the remuneration package for the CEO to be appropriate and aligns with the Remuneration Policy, while maintaining a strong focus on the link between pay outcomes and performance over the long-term.

The CEO's remuneration adjustment is outlined below:

	FAR	STI Target	STI Stretch/ Maximum	LTI
FY15	965,034	482,517	100,000	482,517
May 2015	1,200,000	600,000	100,000	600,000

4.3. Fixed Annual Remuneration

Fixed Annual Remuneration includes base remuneration, superannuation plus other short-term benefits. Executives may elect to take a range of benefits as part of their remuneration package, including novated vehicle, additional superannuation or remote housing subsidy. The company's remuneration policy is to position Fixed Annual Remuneration at the median of the market and utilise 'at risk' reward to reward outstanding performance.

In determining Fixed Annual Remuneration, the company has regard for the value the individual provides to the organisation including:

I. Relative size and complexity of the role

II. Skills and competencies needed to generate results

III. Sustained contribution to the team and organisation

IV. The value of the role and contribution of the individual in the context of the external market

V. Strategic planning including succession and retention of corporate knowledge

4. Executive remuneration policy and framework (continued)

4.4. Short-Term Incentive plan

The STI component of remuneration consists of a cash bonus that is focused on a balanced scorecard approach, with financial and non-financial measures focused on delivery of the Company's critical business objectives.

The Directors rigorously test the annual STI performance measures to ensure the performance required to achieve "on target" results is appropriately stretching. Similarly, the Directors recognise that participants should have the opportunity for above-target outcomes where outstanding performance has been demonstrated. The CEO participates in a separate STI plan from the other Executives, details of this plan are outlined separately:

<table>
<tr><th></th><th colspan="2">Executive STI Plan</th></tr>
<tr><td>Objectives</td><td colspan="2">1. To support Ricegrowers Limited's strategic goals by rewarding executives for the achievement of objectives directly linked to the business strategy.
2. Drive Company performance with acceptable risk and appropriate governance
3. Be market competitive – ensuring SunRice Group is able to compete to attract and retain high quality talent to continue to improve Company performance.</td></tr>
<tr><td>Eligibility</td><td colspan="2">KMP (excluding the CEO), other group executives and senior managers</td></tr>
<tr><td>Instrument</td><td colspan="2">Cash</td></tr>
<tr><td>Opportunity</td><td>Target:
40% of FAR for CFO and GM Consumer Markets;
30% FAR for other KMP.</td><td>Maximum:
50% FAR for CFO and GM Consumer Markets
37.5% FAR for other KMP</td></tr>
<tr><td>Performance Period</td><td>1 May 2015 to 30 April 2016</td><td></td></tr>
<tr><td>Gateway</td><td colspan="2">Threshold Group NPBT (after applying a budgeted paddy price) of 95% target must be achieved before any STI may be paid.</td></tr>
<tr><td>Assessment of performance</td><td colspan="2">Each period, KPIs are selected using a scorecard approach of both financial and non-financial measures of performance.

The weighting of KPIs reflects the individual executive roles and responsibilities, with financial outcomes accounting for least 50% of all KMPs balanced scorecard. KPIs are focused on the improvement in profit, maximisation of return to growers, strategic and operational goals. Executives KPIs for 2016 were:
<table>
<tr><th></th><th>Weighting</th><th>Link to strategy</th><th>Detail</th></tr>
<tr><td>Group Net Profit Before Tax</td><td>35%-50%</td><td>Strong financial growth will lead to sustainable returns to shareholders.</td><td>Awarded on a sliding scale between 95% of target (at which point 50% is awarded) and 110% of the target (at which point 125% is awarded).</td></tr>
<tr><td>Business Unit Profit</td><td>0% – 30%</td><td>Strong financial performance in each unit leads to strong overall results and greater returns for shareholders.</td><td>Each Executive is set Net Profit Before Tax targets for their respective Business Unit or Functional Team.</td></tr>
<tr><td>Business Unit – Safety, Health & Environment (SHE)</td><td>10%</td><td>SunRice is committed to achieving Zero Harm. Achieving this goal is important to ensuring the sustainable success of our business.</td><td>SHE Target's for each business unit, measured by the Lost Time Injury Severity Rate as the single lag indictor as well as continuing to move towards the rewarding of Positive Performance Indicators.</td></tr>
</table>
</td></tr>
</table>

18. Remuneration report (audited) (continued)

4. Executive remuneration policy and framework (continued)

4.4. Short-Term Incentive plan (continued)

<table>
<tr><th></th><th colspan="4">Executive STI Plan</th></tr>
<tr><td rowspan="2">Assessment of performance
continued</td><td></td><td>Weighting</td><td>Link to strategy</td><td>Detail</td></tr>
<tr><td>Individual</td><td>25% – 40%</td><td>The continuous development of our leadership team is imperative to ensuring the Group continues to adapt to strategic challenges.</td><td>Each Executive is set with individual performance measures relating to their role as an individual contributor. The individual scorecard measures include leadership, innovation, process improvement and customer focus.</td></tr>
<tr><td>Assessment</td><td colspan="4">The Remuneration Committee reviews and approves the performance assessment and STI payments for the executives.</td></tr>
</table>

4.5. FY16 CEO STI Plan

The CEO participates in a cash settled STI plan. The CEO's target STI opportunity is 50% of FAR and may increase to 58% of FAR where stretch performance outcomes for the year have been achieved. Stretch performance outcomes are only available where group financial performance or paddy price exceeds the relevant target. Stretch STI payments are not available in relation to individual or non-quantitative KPIs. The Remuneration Committee reviews and approves the CEO's annual performance assessment and STI payments at the end of the performance period.

Details of the CEOs KPIs, relative weighting and key achievements for 2016 are outlined below:

Objective	Rationale link to strategy	STI Measurement	Target Value	TV Percentage	Max Value	FY16 Achievement value	FY16 Achievement Percentage
1. Maximise grower returns	Strong paddy price is essential to ensure sustainable returns for shareholders.	Paddy price per tonne	$125,000	20.8%	$175,000	$175,000	29.1%
2. NPAT	Strong Financial growth will lead to sustainable returns to shareholders.	NPAT	$125,000	20.8%	$175,000	$175,000	29.1%
3. Capital Restructure	Listing the company's securities on the ASX is key to achieving long-term strategic value and sustainable investment.	Successful listing of B securities on ASX	$125,000	20.8%	$125,000	$70,000	11.6%
4. Agronomic Capability	An enhanced agronomic and supply capability will enable the company to achieve quality, cost-effective international rice sources.	Various KPIs	$150,000	25.0%	$150,000	$150,000	25.0%
5. People	Creating a safe workplace is essential to ensuring sustainable business performance.	Safe Start program implemented	$75,000	12.5%	$75,000	$60,000	10.0%
TOTAL			$600,000	100%	$700,000	$630,000	105%

*Stretch STI performance opportunity available.

18. Remuneration report (audited) (continued)

4. Executive remuneration policy and framework (continued)

4.6. FY16 STI Outcomes

KMP	Target STI opportunity	As a % of FAR	STI Outcome	% Achieved	% Forfeited
CEO	$600,000	50%	$630,000	105%	0%
CFO	$228,800	40%	$257,400	113%	0%
General Manager – Consumer Markets	$177,556	40%	$203,746	115%	0%
General Manager – Int'l Commodity & Trading	$124,750	30%	$107,909	87%	13%

4.7. Long-term Incentive plan

The Group's long-term incentive plan directly links CEO rewards to the growth in long-term shareholder wealth by focusing on a mix of key financial and operating performance criteria.

Due to the current structure of the Group, the Board considers it appropriate that only the CEO participates in the LTI plan.

LTI Component	
Eligibility	Group CEO only
Instrument	Cash In the event that SunRice B securities are listed on the ASX, the Board retain the discretion to settle the LTI with equity.
Quantum	50% of FAR, capped at a maximum payment of $1,800,000 (indexed for salary increases over the three years).
Grant Date	1 May 2015
Frequency	Granted every three years
Performance Period	1 May 2015 – 30 April 2018
Performance Hurdles	The Board have selected the following performance measures to ensure that the CEO's remuneration is aligned with increased shareholder value and growers' interests.
Vesting Schedule	Performance is assessed over the three year period from 1 May 2015 to 30 April 2018 and vests immediately following release of the financial results for the FY18 financial year. – 25% – Maximise long-term grower return. Measured based on the achievement of budgeted price per tonne each year over the performance period. – 25% Net Profit After Tax (NPAT) and Return on Capital employed (ROCE) – Achieve compound annual NPAT growth and maintain ROCE. – 40% Strategic – KPIs determined in line with the Groups strategic initiatives and objectives over the long-term. – 10% People and Culture – KPIs include safety targets, implementation of talent development strategy and diversity and inclusion targets.
Clawback	Board retains discretion to cancel the LTI in part or in full in the event of financial misstatements.

Directors' Report continued

18. Remuneration report (audited) (continued)

5. Remuneration tables

Executives

	Short term benefits			Post-employment benefits	Termination Benefit	Share-based payments	Other long-term benefits[1]	Total Paid and Payable
Name	Cash Salary and fees $	Cash Bonus $	Non-Monetary Benefits[2] $	Super-annuation $	$	$	$	$
R Gordon								
2016	**1,162,667**	**630,000**	**8,808**	**37,333**			**630,000**	**2,468,808**
2015	934,034	445,000	7,331	31,000			614,105	2,031,470
J Brennan[6]								
2016	**534,376**	**257,400**	**8,808**	**37,624**				**838,208**
2015	336,771	150,333	4,258	29,896				521,258
M Bazley								
2016	**396,052**	**107,909**		**19,782**				**523,743**
2015	382,680	107,933		25,000				515,613
D Keldie								
2016	**418,891**	**203,746**	**8,808**	**25,000**				**656,445**
2015	386,010	184,954	7,331	25,000				603,295
Former Executives								
G Woods[3 & 5]								
2016	**153,479**	**0**	**50,186**	**28,676**	**269,980**			**502,321**
2015	293,285	77,964	84,926	33,327				489,502
E Zammit[4 & 5]								
2016	**–**	**–**	**–**	**–**	**–**			**–**
2015	320,979	102,781	5,167	12,354				441,281

1. In accordance with accounting standards, the Ricegrowers Limited Chief Executive Officer's remuneration includes amounts provided in the relevant years as the best estimate of the LTI relating to that year's performance. The provision reflects the final tranche of the three-year LTI plan paid on achievement of the service and performance conditions outlined in the LTI plan.
2. Non-monetary benefits include benefits such as car parking and fringe benefits tax. In some cases, these are at the election of the Executives i.e. they are salary sacrificed.
3. G Woods ceased employment on 12 November 2015
4. E Zammit ceased employment on 31 December 2014
5. The Cash bonuses for G Woods and E Zammit reflect pro-rated amounts based on their length of service during the year
6. J Brennan joined SunRice on 1 September 2014

It is noted that there are no Share Based Payments for any Key Management Personnel.

6. Remuneration of Non-Executive Directors

The Board sets Non-Executive Director remuneration at a level that enables the attraction and retention of Directors of the highest calibre, while incurring a cost that is acceptable to shareholders. The remuneration of the Non-Executive Directors is determined by the Board on recommendation from the Remuneration and Nomination Committee within a maximum fee pool.

Non-Executive Directors receive a base fee and statutory superannuation contributions. Non-Executive Directors do not receive any performance based pay.

Historically, the Directors of the Company participated in a Retirement Benefit Scheme, consistent with market practice at the time. Following a review by expert remuneration consultants, shareholders approved at the 2010 Annual General Meeting held on 27 August 2010 a change to the structure of Directors' remuneration which included the termination of the Retirement Benefit Scheme.

Ricegrowers Limited's liability has been fully provided in previous years, therefore there will be no additional cost to the Company.

6.1. Fee pool

The maximum amount of fees that can be paid to Non-Executive Directors is capped by a pool approved by shareholders. At the 2013 Annual General Meeting, shareholders approved the current fee pool of $1,100,000 per annum.

The total fees paid in the reporting period (including superannuation contributions in respect of Directors' remuneration and excluding payments made by Trukai Industries Limited which are excluded from the pool) was $832,483 (utilising 75.7% of the total fee pool).

Directors attending to the business of the Group are reimbursed for the reasonable costs of travel and reasonable out of pocket expenses. These costs are excluded from the Director Fee Pool.

6.2. Directors 2016 fee structure

The Directors fees (excluding superannuation) for FY16 are set out in the table below.

	Chair fee	Member fee
Board	160,425	69,345
Finance and Audit Committee	14,490	7,245
Remuneration Committee	7,245	3,623
Grower Services Committee	7,245	3,623
Safety Health and Environment Committee	7,245	3,623
Nomination Committee	Nil	Nil

Non-Executive Directors of Ricegrowers Limited who are Directors of Trukai Industries Limited also received annual Director Fees for their roles in recognition of the additional workload associated with travel to and management of an operation based in Papua New Guinea. Mr Robertson received $11,702 (Kina 25,000, 2015: Kina 25,000), Mr Bradford commenced 26 November 2015 and received $4,001 (Kina 8,548, 2015: nil) and L Arthur retired 25 November 2015 and received $5,360 (Kina 11,452, 2015: Kina 20,000) in relation to FY16.

18. Remuneration report (audited) (continued)

6. Remuneration of Non-Executive Directors

6.3. Non-Executive Director Statutory Remuneration

The table below outlines the aggregate of all Directors' Fees received by a Director in respect of Ricegrowers Limited and any of its Subsidiaries.

			Post-employment benefits	Total
Current Directors	Cash Salary and fees $	Cash Salary and fees Other Controlled Entities $	Superannuation $	$
LJ Arthur[1]				
2016	**160,425**	**5,360** [1]	**15,240**	**181,026**
2015	103,333	11,792 [1, 2 & 3]	9,995	125,120
NG Graham				
2016	**95,738**		**9,095**	**104,833**
2015	91,833		8,689	100,522
GA Andreazza				
2016	**76,591**		**7,276**	**83,867**
2015	74,000		7,000	81,000
GL Kirkup				
2016	**86,250**	**2,415** [2&3]	**8,423**	**97,089**
2015	82,167	3,500	8,105	93,772
GF Latta				
2016	**94,704**		**8,997**	**103,701**
2015	91,500		8,693	100,193
DM Robertson[1]				
2016	**75,383**	**14,117** [1,2&3]	**7,391**	**96,891**
2015	74,000	13,245	7,121	94,366
JMJ Bradford				
2016	**48,538**	**4,001** [1]	**4,611**	**57,150**
LK Vial				
2016	**50,571**		**4,804**	**55,375**
ID Glasson				
2016	**12,383**		**1,176**	**13,559**
Former Directors				
P M Margin				
2016	**25,949**	**2,243** [2&3]	**2,678**	**30,870**
2015	81,000	7,000	8,326	96,326
AD Walsh				
2016	**25,530**	**1,122** [2&3]	**2,532**	**29,184**
2015	74,000	3,500	7,332	84,832

1. LJ Arthur (retired 25 November, 2015), JMJ Bradford (commenced 26 November, 2015) and DM Robertson as Directors of Trukai Industries Limited receive Directors' fees from Trukai Industries Limited.
2. The Riviana Board fees for PM Margin as Board Chairman of Riviana Foods, GL Kirkup, AD Walsh, LJ Arthur and DM Robertson were pro-rated to for their part-year representation on the Riviana Board.
3. At the November 2015 Board meeting a decision was made to discontinue the Riviana Foods Board. The payment of fees to Board members ceased from 1 January 2016.

6. Remuneration of Non-Executive Directors

Service Agreements

The remuneration arrangements for the Ricegrowers Limited CEO and the Executives are formalised in Service Agreements, as set out below:

Name and Role	Term of Agreement	Notice Periods
R Gordon, Ricegrowers Limited Chief Executive Officer	Service agreement until February 2017 [1]	6 months
J Brennan, Chief Financial Officer	Rolling contract with no fixed end date	6 months
M Bazley, General Manager – International Commodity & Trading	Rolling contract with no fixed end date	3 months
D Keldie, General Manager – Consumer Markets	Rolling contract with no fixed end date	3 months

1. This contract is under review with the intent to move to a rolling contract with no fixed end date.

None of the Service Agreements detailed above provide, or will provide, an entitlement to termination benefits other than (a) any contractual benefits accrued up to the date of termination and (b) payment in lieu of notice if mutually agreed by the parties.

Share holdings

Directors' and other KMP interests in A and B Class shares of Ricegrowers Limited

	Held at 1 May 2015		Net Change in period	Held at 30 April 2016	
Director	A Class	B Class		**A Class**	**B Class**
LJ Arthur	1	233,818	0	**1**	**233,818**
NG Graham	1	100,897	0	**1**	**100,897**
GA Andreazza	1	80,279	0	**1**	**80,279**
GL Kirkup	1	67,424	0	**1**	**67,424**
GF Latta AM	0	29,838	0	**0**	**29,838**
DM Robertson	1	224,539	0	**1**	**224,539**
JM Bradford	2	30,663	0	**2**	**30,663**
LK Vial	2	104,570	0	**2**	**104,570**
ID Glasson	0	0	0	**0**	**0**

R Gordon and J Brennan do not hold any shares.

	2016	2015
Other Key Management Personnel	**B Class**	B Class
M Bazley	**19,491**	19,491
D Keldie	**14,784**	14,784

Key management personnel not listed did not hold any shares.

No shares were issued to/(redeemed by) Directors of Ricegrowers Limited, their Director related entities and other Key Management Personnel during the year.

18. Remuneration report (audited) (continued)

6. Remuneration of Non-Executive Directors (continued)

Share holdings (continued)

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	**2016**	2015
Ricegrowers Limited	**906,312**	1,271,426

The difference in the number of issuing entity shares between 2015 and 2016 results from the following:

1. The departure of AD Walsh (500,351)
2. The appointment of JM Bradford (30,665)
3. The appointment of LK Vial (104,572)

Transactions with Directors and other Key Management Personnel

Transaction type and class of other party

	2016 $000's	2015 $000's
Purchases of rice from Directors	**3,343**	5,346
Purchases of grain and other inputs from Directors	**17**	0
Sale of inputs to Directors	**49**	147
Sale of stockfeed to Directors	**28**	–

There were no transactions with other Key Management Personnel.

7. Voting and comments made at Ricegrowers Limited's Annual General Meeting

It is noted that at the 2015 AGM held on 21 August 2015 that the company received less than 25% 'no vote' on the Remuneration Report. Consequently, no additional disclosures have been triggered.

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 20.

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.

L Arthur
Chairman
21 June 2016

R Gordon
Director

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 21 to 73 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 consolidated entity's financial position as at 30 April 2016 and of its 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.

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 38 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 38.

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.

L Arthur
Chairman

R Gordon
Director

21 June 2016

Auditor's Independence Declaration

As lead auditor for the audit of Ricegrowers Limited for the year ended 30 April 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

2. 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.

P.J. Carney

Paddy Carney
Partner
PricewaterhouseCoopers

Sydney
21 June 2016

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
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Consolidated income statement

For the year ended 30 April 2016

	Note	2016 $000's	2015 $000's
Sales revenue	5	**1,265,908**	1,238,130
Other revenue	5	**4,244**	8,085
Revenue from continuing operations		**1,270,152**	1,246,215
Other income	6	**26**	902
Impairment of assets		**(23)**	(1,994)
Changes in inventories of finished goods		**13,127**	(6,739)
Raw materials and consumables used		**(774,437)**	(736,231)
Freight and distribution expenses		**(140,947)**	(149,511)
Employee benefits expenses		**(122,365)**	(118,774)
Depreciation and amortisation expense	7	**(22,086)**	(20,286)
Finance costs		**(12,911)**	(12,321)
Other expenses	7	**(137,425)**	(130,719)
Share of net profit of associate accounted for using the equity method	13	**61**	108
Profit before income tax		**73,172**	70,650
Income tax expense	8	**(21,170)**	(21,476)
Profit for the year		**52,002**	49,174
Profit for the year is attributable to:			
Ricegrowers Limited B Class shareholders	23	**49,077**	43,425
Non-controlling interests		**2,925**	5,749
		52,002	49,174
Earnings per share for profit attributable to B Class Shareholders			
Basic and diluted earnings (cents per share)	31	**88.0**	77.9

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

Consolidated statement of comprehensive income

For the year ended 30 April 2016

	Note	2016 $000's	2015 $000's
Profit for the year		**52,002**	49,174
Items that may be reclassified to the profit or loss			
Changes in fair value of cash flow hedges	**23**	**(1,843)**	(3,781)
Exchange differences on translation of foreign operations	**23**	**(9,842)**	10,226
Income tax relating to items of other comprehensive income	**23**	**553**	1,122
Other comprehensive income for the year, net of tax		**(11,132)**	7,567
Total comprehensive income for the year		**40,870**	56,741
Total comprehensive income for the year is attributable to:			
Ricegrowers Limited shareholders		**41,087**	48,057
Non-controlling interests		**(217)**	8,684
		40,870	56,741

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

Consolidated balance sheet

As at 30 April 2016

	Note	2016 $000's	2015 $000's
Current assets			
Cash and cash equivalents	9	**120,117**	68,432
Receivables	10	**144,092**	142,587
Inventories	11	**453,521**	495,131
Derivative financial instruments	12	**–**	435
Total current assets		**717,730**	706,585
Non-current assets			
Other financial assets		**47**	46
Property, plant and equipment	14	**217,966**	217,586
Investment properties	16	**1,150**	1,150
Intangibles	15	**8,831**	8,485
Deferred tax assets	17	**23,171**	14,471
Investments accounted for using the equity method	13	**1,684**	1,861
Total non-current assets		**252,849**	243,599
Total assets		**970,579**	950,184
Current liabilities			
Payables	18	**119,270**	102,980
Amounts payable to Riverina Rice Growers	18	**97,991**	174,638
Borrowings	19	**218,007**	117,637
Current tax liabilities		**22,249**	22,787
Provisions	20	**22,466**	20,597
Derivative financial instruments	12	**3,123**	2,279
Total current liabilities		**483,106**	440,918
Non current liabilities			
Payables	18	**1,834**	6,207
Amounts payable to Riverina Rice Growers	18	**13,242**	31,301
Borrowings	19	**79,550**	104,885
Provisions	20	**2,619**	3,017
Total non-current liabilities		**97,245**	145,410
Total liabilities		**580,351**	586,328
Net assets		**390,228**	363,856
Equity			
Contributed equity	22	**107,819**	107,819
Reserves	23	**9,425**	17,415
Retained profits	23	**253,833**	219,254
Capital & resources attributable to Ricegrowers Limited shareholders		**371,077**	344,488
Non-controlling interests		**19,151**	19,368
Total equity		**390,228**	363,856

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

Consolidated statement of changes in equity

For the year ended 30 April 2016

	Attributable to Ricegrowers Limited shareholders					
	Contributed equity	Reserves	Retained Profits	Parent entity interest	Non-controlling interests	Total Equity
	$000's	$000's	$000's	$000's	$000's	$000's
Balance as at 1 May 2014	107,819	12,783	191,443	312,045	11,975	324,020
Profit for the year	–	–	43,425	43,425	5,749	49,174
Other comprehensive income	–	4,632	–	4,632	2,935	7,567
Total comprehensive income for the year	–	4,632	43,425	48,057	8,684	56,741
Transactions with owners in their capacity as owners:						
Dividends paid	–	–	(15,614)	(15,614)	(1,291)	(16,905)
	–	–	(15,614)	(15,614)	(1,291)	(16,905)
Balance as at 30 April 2015	107,819	17,415	219,254	344,488	19,368	363,856

	Attributable to Ricegrowers Limited shareholders					
	Contributed equity	**Reserves**	**Retained Profits**	**Parent entity interest**	**Non-controlling interests**	**Total Equity**
	$000's	**$000's**	**$000's**	**$000's**	**$000's**	**$000's**
Balance as at 1 May 2015	**107,819**	**17,415**	**219,254**	**344,488**	**19,368**	**363,856**
Profit for the year	**–**	**–**	**49,077**	**49,077**	**2,925**	**52,002**
Other comprehensive income	**–**	**(7,990)**	**–**	**(7,990)**	**(3,142)**	**(11,132)**
Total comprehensive income for the year	**–**	**(7,990)**	**49,077**	**41,087**	**(217)**	**40,870**
Transactions with owners in their capacity as owners:						
Dividends paid	**–**	**–**	**(14,498)**	**(14,498)**	**–**	**(14,498)**
	–	**–**	**(14,498)**	**(14,498)**	**–**	**(14,498)**
Balance as at 30 April 2016	**107,819**	**9,425**	**253,833**	**371,077**	**19,151**	**390,228**

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

Consolidated cash flow statement

For the year ended 30 April 2016

	Note	2016 $000's	2015 $000's
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**1,298,125**	1,237,413
Payments to suppliers (inclusive of goods and services tax)		**(803,224)**	(662,564)
Payments to Riverina Rice Growers		**(303,064)**	(408,594)
Payments of wages, salaries and on-costs		**(122,747)**	(111,496)
Interest received		**586**	1,126
Other revenue		**832**	2,356
Interest paid		**(12,900)**	(11,883)
Income taxes paid		**(28,932)**	(10,706)
Net cash inflow from operating activities	**30**	**28,676**	35,652
Cash flows from investing activities			
Payments for property, plant and equipment		**(24,301)**	(34,443)
Proceeds from sale of property, plant and equipment		**278**	469
Payments for intangibles		**–**	(337)
Payment for purchase of subsidiary net of cash acquired	**35**	**–**	(4,216)
Net cash outflow from investing activities		**(24,023)**	(38,527)
Cash flows from financing activities			
Proceeds from borrowings		**307,389**	251,091
Repayment of borrowings		**(234,093)**	(229,214)
Repayment of finance leases		**(491)**	(842)
RMB equity redemptions	**18**	**(1,290)**	(2,797)
Dividends paid to non controlling interests		**–**	(3,113)
Dividends paid to company's shareholders		**(14,498)**	(15,614)
Net cash inflow/(outflow) from financing activities		**57,017**	(489)
Net increase/(decrease) in cash and cash equivalents		**61,107**	(3,364)
Cash and cash equivalents at the beginning of the financial year		**65,403**	64,461
Effect of exchange rate changes on cash and cash equivalents		**(12,006)**	4,306
Cash and cash equivalents at end of year	**9**	**115,067**	65,403

The above consolidated cash flow statement 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 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 and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Ricegrowers Limited is a for-profit entity for the purpose of preparing financial statements.

Compliance with IFRS

The consolidated financial statements of Ricegrowers Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New and amended standards adopted by the Group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 May 2015.

AASB 2014-1 Amendments to Australian Accounting Standards

The adoption of the improvements made in the 2012-2012 Cycle has required additional disclosures in our segment note. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting periods beginning after 1 May 2016.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, investment property and derivative financial instruments that are measured at fair value.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates which, by definition, will seldom equal the actual results. 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 4.

(b) Principles of consolidation

(i) Subsidiaries

Ricegrowers Limited ("company" or "parent entity") and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities over which the Group has control in accordance with AASB 10. Control includes the power to direct the activities which significantly affect the subsidiary return, the rights to the variable returns of the subsidiary and the ability of the parent to exercise power to affect returns. The existence of all substantive rights are considered when assessing whether the parent has power over a subsidiary.

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. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

(i) Subsidiaries (continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity 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 using the equity method of accounting after being initially recognised at cost.

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 other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in 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 using the exchange rates at the dates of the transactions. Inventory purchased in a foreign currency is translated at the underlying hedge rate achieved over the period or, where the purchase is not hedged, inventory is translated at the spot rate on the date of purchase. 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.

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

(d) Investments and other financial assets

The group classifies its financial assets in the following categories:

- loans and receivables, and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Notes to the financial statements continued

1 Summary of significant accounting policies (continued)

(d) Investments and other financial assets (continued)

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. Subsequent to their initial recognition they are carried at amortised cost using the effective interest method, less provision for impairment.

Available-for-sale financial assets are subsequently carried at fair value except when the fair value cannot be measured reliably. They are then carried at cost less impairment.

(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 consolidated income statement as part of other income or expense.

(f) Inventory

Raw materials, finished goods and packaging materials have been valued on the basis of the lower of cost or net realisable value. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of inventory. Raw materials, finished goods, consumable stores and packaging materials inventory are determined from a combination of weighted average purchase price and standard costs and after deducting rebates and discounts. Cost in relation to processed inventories comprises direct materials, direct labour and an appropriate allowance for milling, fixed and variable overheads less by-products with recovery on the basis of normal operating capacity. Net realisable value is the estimated selling price in the normal course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(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. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 performed.

The expected useful lives are as follows:

Buildings	25 to 50 years
Leasehold improvements	Shorter of 7 to 15 years or lease term
Plant and equipment	3 to 20 years

An asset’s carrying amount is written down to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

(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, or more frequently if events or changes in circumstances indicate that they might be impaired. 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows 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.

1 Summary of significant accounting policies (continued)

(i) Intangible assets

Goodwill represents the excess of the consideration transferred, amount of any non-controlling interest in the acquired assets and acquisition date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired. 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.

Intangible assets are amortised on a straight line basis over the periods of their expected benefit:

Acquired patents and brands	5 to 20 years
Capitalised software	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) Trade receivables and accounts payable

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 45 days. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(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.

Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

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. Grower payables also comprises the next financial year's pool payments where paddy rice for next years pool is received 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.

1 Summary of significant accounting policies (continued)

(n) Employee benefits

Short term obligations

Liabilities for wages and salaries, sick 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 term obligations

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 using the projected unit credit method. Expected future payments are discounted using interest rates of high-quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

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.

(o) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognised in full 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 in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(o) Income tax (continued)

Ricegrowers Limited and its wholly owned Australian controlled entities have adopted the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

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.

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

(p) Financial Instruments

Derivative financial instruments, principally interest rate swap contracts and forward foreign exchange contracts, are entered into to hedge financial risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives classified as held for trading and accounted for at fair value through profit or loss. When designated as hedging instruments the remeasurement at fair value is accounted for in other comprehensive income.

For derivatives designated 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 other comprehensive income and in the hedging reserve. The gain or loss on the ineffective portion is immediately recognised in the consolidated income statement. Amounts accumulated in the hedging reserve are recycled in the income statement in the periods when the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of forward exchange contracts hedging export sales is recognised in profit or loss within sales revenue.

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 hedging reserve 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.

(q) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes deposits at call which are readily convertible to cash on hand and other highly liquid investment with original maturities of three months or less that 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 consolidated 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 amount of revenue can be measured reliably, 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 grain storage and other 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.

Notes to the financial statements continued

1 Summary of significant accounting policies (continued)

(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. 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 26). 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.

(t) Business Combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprised 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 in business combinations are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the consideration transferred 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 group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Any change in the provision amount is recognised in the consolidated income statement.

(w) Dividends
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the year but not distributed at balance date.

(x) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(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 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.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the cost associated with dilutive potential ordinary shares and the weighted average number of B Class shares that would have been outstanding assuming the conversion of all dilutive potential B Class shares.

(ab) 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.

(ac) New accounting standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2016 reporting periods and have not been early adopted by the group.

(i) AASB 9 Financial Instruments (effective for year ending 30 April 2019)
AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It also sets out new rules for hedge accounting. The standard is expected to have no material effect on the classification and measurement of the Group’s financial instruments.

(ii) AASB 15 Revenue from contracts with customers (effective for year ending 30 April 2019)
The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard is expected to have no material effect on the Group’s accounting for revenue recognition.

1 Summary of significant accounting policies (continued)

(ac) New accounting standards and interpretations not yet adopted (continued)

(iii) AASB 16 Leases (effective for year ending 30 April 2020)
The new standard will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. Management is currently assessing the effects of applying the new standard on the group's financial statements.

There are no other standards that are effective for periods beginning on or after 1 May 2016 and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(ad) Parent entity information

The financial information for the parent entity, Ricegrowers Limited, disclosed in note 33 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) Investments in subsidiaries
Investments in subsidiaries are accounted for at cost in the financial statements of Ricegrowers Limited.

(ii) Tax consolidation legislation
Ricegrowers Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Ricegrowers Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Ricegrowers Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also 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.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

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 used solely 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.

2 Financial risk management (continued)

(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).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that 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.

The Group's risk management policy is to hedge its US dollar denominated exposure arising from forecasted sales and purchases.

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

	2016 USD 000's	2015 USD 000's
Cash	**5,174**	5,639
Trade receivables	**173,077**	112,357
Trade payables	**(102,804)**	(64,600)
Forward exchange contracts:		
— selling foreign currency	**(207,170)**	(268,400)
— buying foreign currency	**73,534**	38,952
Net exposure – (selling currency)/buying currency	**(58,189)**	(176,052)

Sensitivity analysis

At 30 April 2016, had the US dollar increased by 5 cents to the Australian dollar with all other variables held constant, the Group's post tax profit for the year would have been $6,096,000 higher (2015 – a change of 5 cents: $1,674,000 higher) and other equity would have been $3,987,000 lower (2015: $1,305,000 lower).

At 30 April 2016, had the US dollar decreased by 5 cents to the Australian dollar with all other variables held constant, the Group's post tax profit for the year would have been $5,637,000 lower (2015 – a change of 5 cents: $950,000 lower) and other equity would have been $1,807,000 higher (2015: $3,982,000 higher).

Ricegrowers Limited sells milled and packaged rice to its subsidiary Trukai Industries, with sales denominated in US dollars. The Kina devalued against USD by 19% during the year. The performance of Trukai was impacted by a foreign exchange loss of approximately AUD9,900,000 of profit after tax for the year ended 30 April 2016.

As a result of the current lack of liquidity of USD in PNG the intercompany payable balance as at 30 April 2016 was unusually high at USD83,675,000 (net of USD cash held). If the exchange rate was 5 cents lower (0.26 instead of 0.31), with all other variables held constant, Trukai's intercompany trade payable would have been higher in its local currency resulting in an additional foreign exchange loss in the Group's post tax profit for the year of $14,730,000 (2015: $5,550,000).

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

2 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

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

The Group had the following variable rate cash at bank, borrowings and interest rate swap contracts outstanding:

	Weighted average interest rate %	**Balance $000's**
30 April 2016		
Cash at bank	**1.9**	**44,972**
Bank loans and bank overdrafts	**3.3**	**(296,050)**
Interest rate swap (notional principal amount)	**3.7**	**40,000**
Net exposure to cash flow interest rate risk		**(211,078)**

	Weighted average interest rate %	Balance $000's
30 April 2015		
Cash at bank	2.1	52,329
Bank loans and bank overdrafts	3.5	(216,091)
Interest rate swap (notional principal amount)	4.0	53,000
Net exposure to cash flow interest rate risk		(110,762)

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

Sensitivity analysis
At 30 April 2016, 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 $391,000 lower/higher (2015: $365,000 lower/higher) mainly as a result of higher/lower interest expense on variable borrowings.

(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. The majority of export customers trading terms are secured by letter of credit, telegraphic transfer, cash against documents or documentary collection and prepayment, in accordance with the Treasury policy. 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 10.

2 Financial risk management (continued)

(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.

In Papua New Guinea the ongoing tightening in liquidity of the Kina has reduced the ability of Trukai to pay down its intercompany trade payable. As of 30 April 2016 the total of cash and cash equivalents held by Trukai amounts to PGK200,095,000 (AUD81,105,000) compared to PGK84,898,000 (AUD39,258,000).

To mitigate the liquidity risk SunRice has renegotiated the amount of available borrowing facilities.

Financing arrangements

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

	2016 $000's	2015 $000's
Floating rate:		
Bank overdraft – expiring within one year	**839**	–
Bank loans – expiring within one year	**217,100**	250,909
Bank loans – expiring beyond one year	**71,000**	42,000
	288,939	292,909

For additional information on significant terms and conditions of bank facilities refer to note 19.

Maturities of financial liabilities

The tables below analyse the Group'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.

30 April 2016	**Less than 12 months $000's**	**Between 1 and 2 years $000's**	**Between 2 and 5 years $000's**	**Over 5 years $000's**	**Total contractual cash flows $000's**	**Total carrying amount $000's**
Non-derivatives						
Non-interest bearing	**217,261**	**13,242**	**–**	**1,834**	**232,337**	**232,337**
Variable rate	**221,817**	**3,337**	**85,087**	**–**	**310,241**	**291,000**
Fixed rate	**6,282**	**1,159**	**112**	**–**	**7,553**	**7,391**
Total non-derivatives	**450,067**	**17,738**	**85,199**	**1,834**	**554,838**	**535,435**
Derivatives						
Interest rate swaps – net settled	**306**	**1,171**	**120**	**–**	**1,597**	**1,597**
Foreign currency contracts – gross settled						
(inflow)	**(379,385)**	**–**	**–**	**–**	**(379,385)**	**–**
outflow	**380,911**	**–**	**–**	**–**	**380,911**	**1,526**
Total derivatives	**1,832**	**1,171**	**120**	**–**	**3,123**	**3,123**

2 Financial risk management (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities (continued)

30 April 2015	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	231,677	58,892	–	–	290,569	290,569
Variable rate	114,184	98,091	5,000	–	217,275	216,091
Fixed rate	4,761	1,720	–	–	6,481	5,402
Total non-derivatives	350,622	158,703	5,000	–	514,325	512,062
Derivatives						
Interest rate swaps – net settled	1,276	871	112	–	2,259	2,259
Foreign currency contracts – gross settled						
(inflow)	(263,428)	–	–	–	(263,428)	(415)
outflow	263,013	–	–	–	263,013	–
Total derivatives	861	871	112	–	1,844	1,844

3 Fair value measurement

The Group's assets and liabilities carried at fair value are limited to currency and interest rate derivatives. The Group's financial instruments that are carried at fair value are valued using observable market data as there is no price quoted in an active market for the financial instruments (level 2). The fair value of derivative financial instruments are determined based on dealer quotes for similar instruments. The valuation inputs are calculated in accordance with industry norms and the inputs include spot market exchange rates and published interest rates.

The Group does not have any financial instruments that are carried at fair value using inputs classified as level 1 inputs. A limited number of items are classified as level 3:

- the investment property (see note 16) for which the fair value is determined by an independent valuation
- the impairment on Riviana plant in 2014 for which the fair value of the land, building and property, plant and equipment has been determined by an independent valuation (see note 14 – Property, plant and equipment). These assets are however not held at fair value but at cost less impairment and depreciation.

3 Fair value measurement (continued)

Recurring fair value measurements	2016 Level 2 $'000	2016 Level 3 $'000	2016 Total $'000	2015 Level 2 $'000	2015 Level 3 $'000	2015 Total $'000
Assets						
Investment properties	**–**	**1,150**	**1,150**	–	1,150	1,150
Derivatives used for hedging						
Foreign exchange contracts	**–**	**–**	**–**	435	–	435
Total assets	**–**	**1,150**	**1,150**	435	1,150	1,585
Liabilities						
Derivatives used for hedging						
Foreign exchange contracts	**1,526**	**–**	**1,526**	20	–	20
Interest rate swaps	**1,597**	**–**	**1,597**	2,259	–	2,259
Total liabilities	**3,123**	**–**	**3,123**	2,279	–	2,279

There were no transfer between levels for recurring fair value measurements during the year.

The Directors consider the carrying amounts of other financial instruments approximates their fair value due to either their short term nature or being at market rates. These financial instruments include receivables, payables, bank overdrafts, bank loans and grower payables.

4 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 goodwill and other non-current assets in accordance with note 1(h). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations with the exception land and building and plant and equipment in Sunfoods and a plant of Riviana that have been valued using fair value less cost of disposal. These calculations required the use of assumptions. Refer to note 15 for the details of these assumptions used for goodwill impairment testing.

The recoverability of assets (including goodwill) of some cash generating units is dependent on the Group's ability to improve manufacturing efficiency and increase the volume of throughput in the near future. Management will continue to closely monitor the performance of the cash generating units.

(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). These values require an assumption as to the paddy price for the relevant pool. This assumption is based on the Director's most recent estimate of the performance of the paddy pool.

4 Critical accounting estimates and judgements (continued)

(iii) Deferred tax assets not recognised for capital losses and USA related revenue losses.
The Group has not recognised deferred tax assets for capital losses as the group does not believe it is probable that taxable capital gains will arise against which capital losses can be utilised. The group has also not recognised deferred tax assets for revenue tax losses in the USA as the Group considers it is inappropriate to recognise such deferred tax assets until such time as it is deemed probable that the group will generate taxable income against which these losses can be utilised. Refer to note 8(d) for further details on unrecognised deferred tax assets.

(iv) Provisions and contingent liabilities
The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Due to the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

5 Revenue

	2016 $000's	2015 $000's
Sales revenue		
Sale of goods	**1,265,908**	1,237,450
Services	**–**	680
	1,265,908	1,238,130
Other revenue		
Interest received	**587**	1,147
Other sundry items	**3,657**	6,938
	4,244	8,085
	1,270,152	1,246,215

6 Other income

Net gain on disposal of property, plant and equipment	**26**	83
Foreign exchange gains	**–**	819
	26	902

7 Expenses

Profit before income tax includes the following specific expenses:

	2016 $000's	2015 $000's
Contributions to employee superannuation plans	**3,120**	3,849
Depreciation and amortisation		
Buildings	**7,565**	7,463
Leased assets	**552**	421
Plant and equipment	**11,419**	10,105
Leasehold improvements	**998**	996
Patents/brands and software	**1,552**	1,301
Total depreciation and amortisation expense	**22,086**	20,286
Other expenses		
Energy	**15,522**	17,793
Contracted services	**22,021**	18,694
Operating lease expenditure and equipment hire	**10,555**	12,658
Research and development	**2,606**	3,105
Advertising and artwork	**22,281**	25,121
Net loss on disposal of property, plant and equipment	**–**	288
Repairs and Maintenance	**12,433**	12,347
Insurance	**2,466**	2,819
Training	**2,396**	1,113
Internet, telephone and fax	**3,060**	2,700
Motor vehicle and travelling expenses	**7,972**	6,842
Capital restructuring costs	**2,896**	1,356
Other	**33,217**	25,883
Total other expenses	**137,425**	130,719

8 Income tax expense

(a) Income tax expense

	2016 $000's	2015 $000's
Current tax expense	**(29,633)**	(24,225)
Deferred tax benefit/(expense)	**7,885**	929
Adjustments for current tax of prior periods	**578**	1,820
Income tax expense attributable to profit from continuing operations	**(21,170)**	(21,476)
Deferred income tax benefit/(expense) included in income tax expense comprises:		
Increase in deferred tax assets (note 17)	**7,600**	1,497
Decrease/(increase) in deferred tax liabilities (note 21)	**285**	(568)
	7,885	929

8 Income tax expense (continued)

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

	2016 $000's	2015 $000's
Profit from continuing operations before related income tax	**73,172**	70,650
Income tax expense calculated at the Australian rate of tax of 30% (2015: 30%)	**(21,952)**	(21,195)
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:		
Entertainment	**(22)**	(95)
Research & development	**318**	185
Overseas withholding tax on subsidiary dividends	**(133)**	374
Impairment of assets	**–**	(323)
Difference in overseas tax rates	**185**	–
Sundry items	**674**	(946)
	1,022	(805)
Tax effect of tax losses and temporary differences not recognised	**(818)**	(1,296)
Adjustments for current tax of prior periods	**578**	1,820
Income tax expense	**(21,170)**	(21,476)

(c) Tax relating to items of other comprehensive income

Cash flow hedges	**(553)**	(1,122)
	(553)	(1,122)

(d) 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.

The Group has not recognised deferred tax assets for revenue tax losses of $7,685,000 (2015: $6,767,000) in the USA as the Group does not believe it is probable that future taxable amounts will be available to utilise the losses. The Group will reassess this position should conditions in the USA improve.

9 Cash and cash equivalents

	2016 $000's	2015 $000's
Cash at bank and on hand	**120,117**	68,432
	120,117	68,432

(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	**120,117**	68,432
Less: Bank overdraft (note 19)	**(5,050)**	(3,029)
Balances per statement of cash flows	**115,067**	65,403

(b) Risk exposure

The Group'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.

The Group is also exposed to a liquidity risk in relation to existing restrictions on cash movement in Papua New Guinea. Further details are presented in note 2.

10 Receivables

	2016 $000's	2015 $000's
Current		
Trade receivables	**119,768**	123,339
Provision for impairment of receivables (note a)	**(1,416)**	(1,451)
	118,352	121,888
Other receivables	**1,216**	1,234
GST receivable	**7,301**	13,623
Prepayments	**17,223**	5,842
	144,092	142,587

The prepayment balance includes $12,374,000 (2014: $nil) of rice purchases overseas, but for which the Group did not take ownership before 30 April 2016.

(a) Impaired trade receivables

Nominal value of impaired trade receivables is as follows:

1 to 3 months	**24**	–
3 to 6 months	**94**	48
Over 6 months	**1,298**	1,403
	1,416	1,451

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

10 Receivables (continued)

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

	2016 $000's	2015 $000's
At 1 May	**1,451**	623
Provision for impairment recognised during the year	**157**	970
Receivables written off during the year as uncollectible	**(36)**	(128)
Amounts subsequently collected	**(7)**	(122)
Foreign currency difference on translation	**(149)**	108
At 30 April	**1,416**	1,451

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.

The directors are satisfied that debtors are fairly valued with respect to credit risk. Of the total trade receivables outstanding 93% (2015: 96%) are current, 5% (2015: 2%) are at 30 days, 0% (2015: 1%) are at 60 days and 2% (2015: 1%) are over. The directors have no reason to believe amounts not provided for will not be collected in full.

(b) Past due but not impaired

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

Up to 3 months	**5,244**	4,251
3 to 6 months	**1,113**	460
	6,357	4,711

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

(c) Fair values

Trade and other receivables are financial assets carried at amorised costs. Due to their short term nature, their carrying amount is assumed to approximate their fair value.

(d) Risk exposure

Information about the Group'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.

11 Inventories

	2016 $000's	2015 $000's
Raw materials	**291,760**	345,124
Finished goods	**138,412**	128,641
Packaging materials	**14,901**	12,495
Engineering and consumable stores	**8,448**	8,871
	453,521	495,131

12 Derivative financial instruments

	2016 $000's	2015 $000's
Current assets		
Forward foreign exchange contracts (cash flow hedges)	**–**	435
	–	435
Current liabilities		
Interest rate swaps (cash flow hedges)	**1,597**	2,259
Forward foreign exchange contracts (cash flow hedges)	**1,526**	20
	3,123	2,279

(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 Group 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 Group to raise long-term borrowings at floating rates and effectively swap them into fixed rates. Under the interest rate swaps, the Group 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. The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis. The timing of cash flows and the effect on the Income statement are materially the same.

Interest rate swaps cover 50.6% (2015: 51.4%) of the Obligor Group core debt. The fixed interest rates range between 2.48% – 4.805% (2015: 3.55% – 4.805%) and the variable rates are between 2.05% and 2.36% (2015: 3.13% and 3.88%).

The Obligor Group is a subgroup of SunRice that jointly guarantees the Core and Seasonal facilities contracted in Australia. The following entities are part of the Obligor Group:

- Riviana Pty Ltd
- Australian Grain Storage Pty Ltd (joined the group in December 2015 following the refinancing of the debt – see note 19)
- Rice Research Australia Pty Ltd
- Solomons Rice Company Limited
- Sunshine Rice Inc.
- Ricegrowers Singapore Pty Ltd
- Silica Resources Pty Ltd
- Sunrice Trading Pty Ltd
- Sunshine Rice Pty Ltd
- SunRice Australia Pty Ltd

The gain or loss from re-measuring 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.

12 Derivative financial instruments (continued)

(a) Instruments used by the Group (continued)

(ii) Forward exchange contracts – cash flow hedges

The Group 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 for the ensuing year denominated in foreign currencies. The timing of cash flows and the effect on the Income statement are materially the same.

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 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.

13 Investments accounted for using the equity method

	2016 $000's	2015 $000's
Shares in associates	**1,684**	1,861

Information relating to the associate is set out below.

Name of company	Principal activity	Ownership interest 2016	2015
Pagini Transport (incorporated in Papua New Guinea)	Transport	**28.85%**	28.85%

	Consolidated 2016 $000's	2015 $000's
(a) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	**1,861**	1,468
Share of profit after related income tax	**61**	108
Foreign exchange difference on translation	**(238)**	285
Carrying amount at the end of the financial year	**1,684**	1,861
(b) Share of associates' profit		
Profit after income tax	**61**	108

13 Investments accounted for using the equity method (continued)

(c) Summarised financial information of Pagini Transport (100%)

	Assets $000's	Liabilities $000's	Revenues $000's	Profits $000's
2016	**13,492**	**7,655**	**2,470**	**212**
2015	14,285	7,593	2,580	375

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.

14 Property, plant and equipment

	2016 $000's	2015 $000's
Freehold land		
At cost	**14,217**	13,154
	14,217	13,154
Buildings		
At cost	**201,283**	198,094
Less accumulated depreciation	**(91,283)**	(83,657)
	110,000	114,437
Leasehold improvements		
At cost	**15,359**	16,379
Less accumulated depreciation	**(6,217)**	(5,737)
	9,142	10,642
Plant and equipment		
At cost	**243,584**	227,895
Less accumulated depreciation	**(162,498)**	(155,451)
Under finance lease	**2,878**	3,513
Less accumulated depreciation	**(1,897)**	(2,591)
	82,067	73,366
Capital works in progress		
At cost	**2,540**	5,987
	217,966	217,586

14 Property, plant and equipment (continued)

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.

	Land & Buildings	**Leasehold Improvements**	**Plant & Equipment**	**Capitalised WIP**	**Totals**
	$000's	**$000's**	**$000's**	**$000's**	**$000's**
Carrying amount at 1 May 2015	**127,591**	**10,642**	**73,366**	**5,987**	**217,586**
Additions	**–**	**294**	**2,743**	**19,476**	**22,513**
Recognition of finance lease	**–**	**–**	**611**	**–**	**611**
Capital works in progress reclassifications	**4,483**	**196**	**18,203**	**(22,882)**	**–**
Transfers/disposals/scrapping	**(49)**	**(21)**	**(74)**	**–**	**(144)**
Depreciation expense	**(7,565)**	**(998)**	**(11,971)**	**–**	**(20,534)**
Impairment	**–**	**–**	**(22)**	**–**	**(22)**
Foreign exchange difference on translation	**(243)**	**(971)**	**(789)**	**(41)**	**(2,044)**
Carrying amount at 30 April 2016	**124,217**	**9,142**	**82,067**	**2,540**	**217,966**

	Land & Buildings	Leasehold Improvements	Plant & Equipment	Capitalised WIP	Totals
	$000's	$000's	$000's	$000's	$000's
Carrying amount at 1 May 2014	124,358	6,306	48,999	15,191	194,854
Additions	1,807	2,580	6,246	27,906	38,539
Recognition of finance lease	–	–	436	–	436
Capital works in progress reclassifications	8,331	1,394	27,721	(37,446)	–
Transfers/disposals/scrapping	(119)	71	(620)	–	(668)
Depreciation expense	(7,463)	(996)	(10,526)	–	(18,985)
Impairment	(1,393)	–	(601)	–	(1,994)
Foreign exchange difference on translation	2,070	1,287	1,711	336	5,404
Carrying amount at 30 April 2015	127,591	10,642	73,366	5,987	217,586

The impairment recognised in 2015 is the consequence of lower trading performance of a division of Riviana. The residual carrying value of these assets as at 30 April 2015 is supported by an independent valuation amounting to $4,565,000 based on the market value of the land and replacement cost of the plant and equipment.

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 fixed assets as disclosed in note 19.

15 Intangibles

	2016 $000's	2015 $000's
Goodwill	**4,299**	4,299
Patents and brands	**8,815**	8,637
Less accumulated amortisation	**(6,235)**	(5,811)
	2,580	2,826
Software	**7,975**	6,124
Less accumulated amortisation	**(6,055)**	(4,997)
	1,920	1,127
Other	**1,000**	1,000
Less accumulated amortisation	**(968)**	(767)
	32	233
	8,831	8,485

	Goodwill $000's	Brands $000's	Software $000's	Other $000's	Total $000's
Carrying amount at 1 May 2015	**4,299**	**2,826**	**1,127**	**233**	**8,485**
Additions	**–**	**–**	**1,788**	**–**	**1,788**
Amortisation charge	**–**	**(356)**	**(995)**	**(201)**	**(1,552)**
Foreign exchange difference on translation	**–**	**110**	**–**	**–**	**110**
Carrying amount at 30 April 2016	**4,299**	**2,580**	**1,920**	**32**	**8,831**

	Goodwill $000's	Brands $000's	Software $000's	Other $000's	Total $000's
Carrying amount at 1 May 2014	2,819	2,807	1,579	433	7,638
Additions	1,475	–	337	–	1,812
Amortisation charge	–	(313)	(788)	(200)	(1,301)
Foreign exchange difference on translation	5	332	(1)	–	336
Carrying amount at 30 April 2015	4,299	2,826	1,127	233	8,485

15 Intangibles (continued)

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

	2016 $000's	2015 $000's
Global Rice	**34**	34
Brandon Mill	**1,475**	1,475
Riviana Foods	**2,605**	2,605
CopRice	**185**	185
	4,299	4,299

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 explicit period of projection (5 years) are extrapolated using the estimated growth rates stated below.

Key assumptions used for value in use calculations

	Growth Rate		Pre Tax Discount Rate	
CGU	**2016 %**	2015 %	**2016 %**	2015 %
Global Rice & Brandon Mill	**2.0**	2.0	**11.8**	13.0
Riviana Foods	**2.0**	2.0	**12.4**	12.7
CopRice	**2.0**	2.0	**12.4**	12.5

The discount rates used reflect risks relating to the CGU's to the extent that the risk component is not already included in the cash flow forecasts.

Sensitivity to changes in assumptions
No reasonable change in assumptions above would give rise to an impairment in the Riviana, Coprice and Global Rice cash generating units.

The recoverability of the Brandon Mill investment is dependent on the ability of the Group to develop and expand a sustainable and profitable rice industry in North Queensland.

16 Investment properties

	2016 $000's	2015 $000's
At fair value		
Opening balance at 1 May	**1,150**	1,150
Closing balance at 30 April	**1,150**	1,150

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 sole investment property, a site in Griffith, was valued in 2013 by a certified practising valuer.

17 Deferred tax assets

	2016 $000's	2015 $000's
The balance comprises temporary differences attributable to:		
Provisions	**7,494**	7,246
Accruals	**2,971**	736
Depreciation	**4,961**	5,555
Foreign exchange	**1,450**	–
Inventories	**6,874**	3,412
Other	**1,656**	405
	25,406	17,354
Interest rate swaps	**1,180**	762
Total deferred tax assets	**26,586**	18,116
Set-off of deferred tax liabilities pursuant to set-off provisions (note 21)	**(3,415)**	(3,645)
Net deferred tax assets	**23,171**	14,471
Deferred tax assets expected to be recovered within 12 months	**20,687**	11,089
Deferred tax assets expected to be recovered after more than 12 months	**5,899**	7,027
	26,586	18,116
Movements		
Opening balance at 1 May	**18,116**	16,354
Credited/(charged) to income statement	**7,600**	1,497
Foreign exchange differences on translation	**452**	233
Credited to other comprehensive income	**418**	32
Closing balance at 30 April	**26,586**	18,116

18 Payables

	2016 $000's	2015 $000's
Current		
Trade and other payables	**114,845**	101,710
Amounts owing to the Rice Marketing Board (RMB) for RMB Equity Certificates	**4,425**	1,270
Total external trade payables	**119,270**	102,980
Amounts payable to Riverina Rice Growers	**97,991**	174,638
	217,261	277,618
Non-current		
Trade and other payables	**1,834**	1,757
Amounts owing to the Rice Marketing Board (RMB) for RMB Equity Certificates	**–**	4,450
Total external trade payables	**1,834**	6,207
Amounts payable to Riverina Rice Growers	**13,242**	31,301
	15,076	37,508

18 Payables (continued)

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

(a) Fair values

Trade and other payables are financial liabilities carried at amortised costs. The Directors consider the carrying amounts of trade and other payables approximate their fair values.

(b) Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in note 2.

19 Borrowings

	2016 $000's	2015 $000's
Current		
Secured		
Bank overdrafts	**5,050**	3,029
Bank loans	**212,513**	114,313
Net accrued interest and capitalised borrowing costs	**(167)**	(224)
Lease liability (note 26)	**611**	519
	218,007	117,637
Non current		
Secured		
Bank loans	**79,736**	104,388
Net accrued interest and capitalised borrowing costs	**(667)**	–
Lease liability (note 26)	**481**	497
	79,550	104,885

(a) Significant terms and conditions of bank facilities

During the 2016 financial year, Ricegrowers Limited renegotiated its Core and Seasonal syndicated banking facilities. The seasonal debt facility (including trade and grower finance facility) of $470,000,000 increased by $65,000,000 compared to the prior year ($405,000,000) and the maturity date was extended to 7 April 2017.

The Core debt facility of $150,000,000 increased by $50,000,000 compared to the prior year ($105,000,000).

The Australian bank loans, including overdrafts and other facilities, are secured by registered mortgages over all property, registered equitable mortgages over all assets of the Obligor Group and a cross-guarantee between Ricegrowers Limited and Riviana Foods Pty Ltd. In addition, covenants apply to the bank loans.

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

There were no covenants breached during the period

(b) Fair values

The Directors consider the carrying amounts of bank overdrafts and loans approximate their fair values since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

19 Borrowings (continued)

(c) Carrying amount of all assets pledged as security

There is a fixed and floating charge over all fixed assets as described above.

(d) Risk exposure

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

The Group's bank loans are categorised as follows:

	2016 $000's	2015 $000's
Seasonal debt	**213,249**	113,116
Core debt	**79,000**	65,494
AGS debt	**–**	40,091
	292,249	218,701

Representing:		
Current bank loans	**212,513**	114,313
Non-current bank loans	**79,736**	104,388
	292,249	218,701

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.

20 Provisions

	2016 $000's	2015 $000's
Current		
Employee benefits (note 27)	**17,142**	16,439
Employee allowances	**218**	163
Directors' retirement benefits	**399**	483
Other	**4,707**	3,512
	22,466	20,597
Non current		
Employee benefits (note 27)	**2,619**	3,017
	2,619	3,017

20 Provisions (continued)

	Employee benefits	Employee allowances	Directors' retirement benefits	Other	Total
	$000's	**$000's**	**$000's**	**$000's**	**$000's**
Carrying amount at 1 May 2015	**19,456**	**163**	**483**	**3,512**	**23,614**
Additional provision recognised	**567**	**55**	**–**	**4,707**	**5,329**
Unused amount reversed	**–**	**–**	**–**	**–**	**–**
Amount used during the year	**–**	**–**	**(84)**	**(3,599)**	**(3,683)**
Foreign exchange difference on translation	**(262)**	**–**	**–**	**87**	**(175)**
Carrying amount at 30 April 2016	**19,761**	**218**	**399**	**4,707**	**25,085**

	Employee benefits	Employee allowances	Directors' retirement benefits	Other	Total
	$000's	$000's	$000's	$000's	$000's
Carrying amount at 1 May 2014	17,463	177	658	–	18,298
Additional provision recognised	1,623	–	–	3,512	5,135
Unused amount reversed	–	–	–	–	–
Amount used during the year	–	(14)	(175)	–	(189)
Foreign exchange difference on translation	370	–	–	–	370
Carrying amount at 30 April 2015	19,456	163	483	3,512	23,614

(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.

(b) Fair values

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

21 Deferred tax liabilities

	2016 $000's	2015 $000's
The balance comprises temporary differences attributable to:		
Prepayments	**107**	43
Inventories	**2,936**	3,417
Other	**372**	55
	3,415	3,515
Foreign exchange contracts	**–**	130
Total deferred tax liabilities	**3,415**	3,645
Set-off of deferred tax liabilities pursuant to set-off provisions (note 17)	**(3,415)**	(3,645)
Net deferred tax liabilities	**–**	–
Deferred tax liabilities expected to be settled within 12 months	**3,415**	3,645
	3,415	3,645
Movements		
Opening balance at 1 May	**3,645**	3,884
Charged to income statement	**285**	568
Foreign exchange difference on translation	**(385)**	283
(Credited)/charged to other comprehensive income	**(130)**	(1,090)
Closing balance at 30 April	**3,415**	3,645

22 Contributed equity

	2016 $000's	2015 $000's
(a) Share capital		
Fully paid Ordinary B Class Shares	**107,819**	107,819

B Class shares
B Class shares are non-voting shares and entitle the holder to participate in dividends. B Class shares have no par value.

New shares issues have been halted whilst the Company reviews its capital structure. The number of B class shares on issue remains unchanged at 55,762,392 (2015: 55,762,392).

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

At 30 April 2016, 904 (2015: 1,045) A Class shares were on issue.

22 Contributed equity (continued)

(b) 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 group monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by net debt plus 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 2016 and 30 April 2015 were as follows:

	Notes	2016 $000's	2015 $000's
Total borrowings	19	**297,557**	222,522
Add: amounts owing to the RMB for equity certificates	18	**4,425**	5,720
Less: cash and cash equivalents	9	**(120,117)**	(68,432)
Net debt		**181,865**	159,810
Total equity		**390,228**	363,856
Gearing ratio		**32%**	31%

23 Reserves and retained profits

	2016 $000's	2015 $000's
Reserves		
General reserve	**28,453**	28,453
Asset revaluation reserve	**4,917**	4,917
Foreign currency translation reserve	**(21,191)**	(14,491)
Hedging reserve – cash flow hedges	**(2,754)**	(1,464)
	9,425	17,415
Retained profits	**253,833**	219,254

23 Reserves and retained profits (continued)

(a) Movements

	2016 $000's	2015 $000's
Foreign currency translation reserve		
Balance 1 May	**(14,491)**	(21,433)
Net exchange difference on translation of overseas controlled entities	**(9,842)**	10,226
Non controlling interest in translation differences	**3,142**	(3,284)
Balance 30 April	**(21,191)**	(14,491)
Hedging reserve – cash flow hedges		
Balance 1 May	**(1,464)**	846
Revaluation and transfer to profit and loss or inventory – gross	**(1,843)**	(3,781)
Deferred tax	**553**	1,122
Non controlling interest	**–**	349
Balance 30 April	**(2,754)**	(1,464)
Retained profits		
Balance 1 May	**219,254**	191,443
Net profit for the year	**49,077**	43,425
Dividends provided for or paid	**(14,498)**	(15,614)
Balance 30 April	**253,833**	219,254

(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.

Notes to the financial statements continued

24 Franked dividends

	2016 $000's	2015 $000's
Final dividend for the year ended 30 April 2015 of 26 cents (2014: 23 cents) per fully paid B class share	**14,498**	12,825
Special dividend for the year ended 30 April 2016 of $nil (2015: 5 cents per fully paid B class share)	**–**	2,789
Total dividend paid	**14,498**	15,614

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 33 cents per fully paid B class share. The aggregated amount of the proposed dividend expected to be paid out of retained earnings at 30 April 2016, but not recognised as a liability at year end is $18,401,812.

The franked portions of the final dividend recommended after 30 April 2016 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 2017:

	2016 $000's	2015 $000's
Franking credits available for subsequent financial years based on a tax rate of 30% (2015 – 30%)	**79,657**	58,358

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 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 $7,886,000 (2015 – $6,214,000).

25 Contingencies

Contingent liabilities

The estimated maximum amounts of contingent liabilities not provided for in the financial statements of the Group as at 30 April are:

	2016 $000's	2015 $000's
Letters of credit	**33,981**	725
Guarantee of bank advances	**6,909**	2,436
	40,890	3,161

The increase in contingent liabilities as at 30 April 2016 is due to two stand by letters of credit in relation to purchase of rice in Asia.

26 Commitments for expenditure

(a) Capital commitments (property, plant and equipment)

	2016 $000's	2015 $000's
Commitments for capital expenditure contracted for at reporting date but not recognised as liabilities	**1,410**	2,849

26 Commitments for expenditure (continued)

(b) Lease commitments

	2016 $000's	2015 $000's
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities:		
Within one year	**6,889**	7,459
Later than one year but not later than five years	**10,260**	15,350
Later than five years	**2,673**	4,630
	19,822	27,439
Representing:		
Non-cancellable operating leases	**19,822**	27,439
Commitments in relation to finance leases are payable as follows:		
Within one year	**644**	557
Later than one year but not later than five years	**497**	513
Minimum lease payments	**1,141**	1,070
less: future finance charges	**(49)**	(54)
Recognised as a liability	**1,092**	1,016
Present value of lease liabilities:		
Current (note 19)	**611**	519
Non current (note 19)	**481**	497
	1,092	1,016

27 Employee benefits

(a) Employee benefits and related on cost liabilities

	2016 $000's	2015 $000's
Provision for employee benefits (note 20)		
Current	**17,142**	16,439
Non-current	**2,619**	3,017
Aggregate employee entitlement benefits	**19,761**	19,456
Employee numbers	**Number**	Number
Average number of employees during the year	**2,178**	2,286

(b) Superannuation plan/commitments

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

Notes to the financial statements continued

28 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	
			2016 %	2015 %
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
SunShine Rice Pty Ltd	Australia	Processing and distribution of rice	**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
SunRice Fund Limited (ex-Bligh Funds Management)	Australia	Inactive	**100**	100
Ricegrowers Singapore Pty Ltd	Singapore	Trading of rice	**100**	–

*Entities part of a Deed of Cross Guarantee that are relieved under the class order 98/1418 for preparing financial report (see note 38).

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

Non-controlling interests hold 6,000 Ordinary shares in Aqaba Processing Company Limited, being 20% of the ordinary issued capital.

Non-controlling interests hold 35,000 units in SunFoods LLC, being 35% of the operation.

Summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is disclosed in note 34.

29 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 28.

29 Related party transactions (continued)

(c) Directors and other Key Management Personnel

(i) Directors and other Key Management Personnel compensation

	2016 $	2015 $
Short term employee benefits	**4,722,451**	4,645,940
Post-employment benefits	**220,638**	231,592
Termination benefits	**269,980**	–
Other long-term benefits	**630,000**	614,105
	5,843,069	5,491,637

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

(ii) Share holdings

	Directors' and other KMP interests in A and B Class shares of Ricegrowers Limited			
Director	**2016**		**2015**	
	A Class Shares	**B Class Shares**	A Class Shares	B Class Shares
LJ Arthur	**1**	**233,818**	1	233,818
NG Graham	**1**	**100,897**	1	100,897
GA Andreazza	**1**	**80,279**	1	80,279
GL Kirkup	**1**	**67,424**	1	67,424
GF Latta AM	**–**	**29,838**	–	29,838
DM Robertson	**1**	**224,539**	1	224,539
LK Vial	**2**	**104,570**	–	–
J Bradford	**2**	**30,663**	–	–

R Gordon and I Glasson do not hold any shares.

	2016	2015
	B Class Shares	B Class Shares
Other Key Management Personnel		
M Bazley	**19,491**	19,491
D Keldie	**14,784**	14,784

Key management personnel not listed did not hold any shares.

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	2016	2015
Ricegrowers Limited	**906,312**	1,271,426

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

29 Related party transactions (continued)

(c) Directors and other Key Management Personnel (continued)

(iii) Transactions with Directors and other Key Management Personnel

Transactions and outstanding balances

	2016 $ Transactions	2016 $ Outstanding Balances	2015 $ Transactions	2015 $ Outstanding Balances
Purchases of rice from Directors	**3,360,342**	**1,665,364**	5,364,059	3,110,547
Sale of inputs to Directors	**48,805**	**–**	147,288	–
Sale of stockfeed to Directors	**27,536**	**–**	–	

There were no transactions with other Key Management Personnel.

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

	2016 $000's	2015 $000's
Profit for the year	**52,002**	49,174
Depreciation and amortisation	**22,086**	20,286
Loss/(gain) on sale/disposal of property, plant and equipment	**–**	205
Net exchange differences	**2,969**	(1,119)
Impairment of non-current assets	**23**	1,994
Share of associate's net profit	**(61)**	(108)
Changes in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	**9,859**	(20,633)
(Increase)/decrease in other operating assets	**(11,364)**	5,157
Decrease/(increase) in inventories	**41,610**	(82,104)
(Decrease)/increase in amounts payable to Riverina growers	**(94,708)**	21,400
Increase in trade and other creditors and employee entitlements	**14,684**	29,500
(Decrease)/increase in provision for income taxes payable	**(539)**	12,827
Increase in deferred tax balances	**(7,885)**	(927)
Net cash inflows from operating activities	**28,676**	35,652

31 Earnings per share

(a) Basic and diluted earnings per share

	2016 Cents	2015 Cents
Basic and diluted earnings per share	**88.0**	77.9

(b) Reconciliation of earnings per share

	2016 $000's	2015 $000's
Profit for the year	**49,077**	43,425

(c) Weighted average number of shares used as a denominator

	2016 000's	2015 000's
Weighted average number of B Class shares	**55,762**	55,762

32 Subsequent events

On 21 June 2016 the Directors declared a fully franked final dividend of 33 cents per share. The financial impact of this dividend will be recognised in the 2017 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.

33 Parent entity information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2016 $000's	2015 $000's
Balance sheet		
Current assets	**613,078**	598,951
Total assets	**781,633**	731,094
Current liabilities	**425,605**	387,927
Total liabilities	**520,262**	486,241
Shareholders equity		
Issued capital	**107,819**	107,819
Reserves		
General reserve	**18,657**	18,657
Hedging reserve – cash flow hedges	**(1,346)**	(1,411)
Retained earnings	**136,241**	119,788
	261,371	244,853
Profit for the year	**30,951**	23,091
Total comprehensive income	**31,016**	20,563

Notes to the financial statements continued

33 Parent entity information (continued)

(b) Guarantees entered into by the parent entity

	2016	2015
Carrying amount included in current liabilities	**–**	–

The parent entity has entered into cross guarantees in respect of all banking facilities, including bank loans, foreign exchange facilities and bank overdrafts for the following subsidiaries which comprise the Obligor Group.

No liability has been recognised at balance date.

Ricegrowers Limited, Riviana Foods Pty Ltd and Australian Grain Storage Pty Ltd entered into a deed of cross guarantee on 28 April 2016 under which each company guarantees the debts of the others. No liabilities subject to the deed of cross guarantee at 30 April 2016 are expected to arise to Ricegrowers Limited and subsidiaries, as all such subsidiaries were financially sound and solvent at that date.

(c) Contingent liabilities of the parent entity

	2016 $000's	2015 $000's
Letters of credit	**33,981**	725
Guarantee of bank advances	**5,826**	1,399
	39,807	2,124

(d) Contractual commitments for the acquisition of property, plant and equipment

As at 30 April 2016, the parent entity had contractual commitments for the acquisition of property, plant or equipment totalling $1,410,000 (30 April 2015 – $2,593,000). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

34 Subsidiaries with material non-controlling interests

(a) Trukai Industries Limited Summary financial information

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

34 Subsidiaries with material non-controlling interests (continued)

Set out below is summarised financial information for Trukai Industries Limited. The amounts disclosed for each subsidiary are before inter-company eliminations but after homogenisation to the group accounting policies.

	2016 $000's	2015 $000's
Dividends to Non Controlling Interests	**–**	1,291
Balance sheet		
Current assets	**191,608**	141,903
Non-current assets	**25,486**	26,817
Current liabilities	**(144,520)**	(97,465)
Non-current liabilities	**(3,579)**	(3,652)
Net Assets	**68,995**	67,603
Accumulated non-controlling interests	**23,300**	22,830
Statement of comprehensive income		
Revenue	**364,013**	329,946
Profit after tax for the period	**11,270**	20,380
Other comprehensive income	**(9,878)**	9,330
Total comprehensive income	**1,392**	29,710
Non-controlling interest share of profit after tax for the period	**3,806**	6,882
Non-controlling interest share of total comprehensive income	**470**	10,033
Cash flows		
Cash flows from operating activities	**57,786**	34,896
Cash flows from investing activities	**(2,773)**	(5,456)
Cash flows from financing activities	**(1,093)**	(7,635)
Net increase in cash and cash equivalents	**53,920**	21,805

(b) Significant restrictions

Ricegrowers Limited sells milled rice to its subsidiary Trukai Industries, with sales denominated in US dollars. Due to a current lack of liquidity of USD in PNG the intercompany balance as at 30 April 2016 was USD83,675,000 (2015: USD47,660,000) and the cash and cash equivalents balance was PGK200,095,000 (2015: PGK84,898,000).

35 Business combination

On 11 November 2014 the Group acquired 100% of the assets and business of Blue Ribbon Rice Pty Limited and Blue Ribbon Processing Pty Limited, a rice milling business. The objective of the acquisition is to leverage the agronomic potential of the region. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration	$000's
Cash paid	4,216
Contingent consideration (refer to a) below)	640
Total purchase consideration	4,856

The fair value of assets and liabilities recognised as a result of the acquisition was as follows:

	$000's
Property, plant and equipment	3,269
Inventories	124
Employee entitlement	(16)
Deferred tax	4
Identifiable net assets acquired	3,381
Add: Goodwill	1,475
Net assets acquired	4,856

Goodwill represents the access to the paddy supply in Queensland and the ability to leverage the agronomic potential of the region.

Brandon Mill will be included in the International Rice segment.

(a) Contingent consideration

The contingent consideration is based on the volume of paddy delivered to the mill in the years ending 30 June 2015, 30 June 2016 and 30 June 2017. For each milestones the earn out amount (undiscounted) varies between $nil and $250,000 for the first 2 years and between $nil and $500,000 for the final year.

The threshold for 30 June 2016 is not expected to be met and a portion of the contingent consideration has been reversed in the income statement.

36 Segment information

Business segments

The Corporate Management Team examines the group's financial performance from a product & service perspective and has identified 6 reportable segments of its business.

In aggregating operating segments into reportable segments, management has considered the requirements of the accounting standard and notably the existence of similarities in economic characteristics, nature of products, and market and customers.

Rice Pool

The milling, marketing and distribution of rice from the Riverina (i.e. excluding the rice sourced in Queensland) through intermediaries to consumers and directly to food service and processing customers where the supply of Australian rice is a key driver of the economics of the business.

36 Segment information (continued)

Business segments (continued)

International Rice
The manufacturing, marketing and distribution of rice from all other sources (i.e other than the Riverina) through intermediaries to consumers, food services and processing customers where the economics of the business reflects profit generated as a result of managing supply and demand.

International Rice is an aggregation of the main following operating segments:

- Global Rice, the global trading arm of the group, sourcing rice from outside of the Riverina region and selling branded rice products in Australia or overseas.
- Trukai, SunFoods, Aqaba Processing Company and Solrice which are separate legal entities that pack and distribute rice in their respective local markets.

The nature of products manufactured, the distribution process and the type of customers are comparable between these segments.

The economic characteristics of the larger operating segments, measured by their gross margin, is also largely comparable when considering past and expected performance. Some operating segments do however present different performance profiles but it is management's assessment that this does not materially impact the aggregated reportable segment due to the small contribution of these operating segments to International Rice.

Rice Food
The manufacturing, marketing and distribution of rice-based products which incorporate additional value in their transformation process. This reportable segment is an aggregation of the Rice Cakes, Rice Flour, Rice Chips, Microwave Rice and Microwave Meals operating segments.

These operating segments have similar economic characteristics, measured as the gross margin.

Riviana Foods (Riviana)
The importation, manufacture, distribution and sales of consumer food products to intermediaries.

CopRice
The manufacture, distribution and sales of pet food and stock feed products through intermediaries to consumers and primary producers.

Asset Finance
Seek and provide financing resources and access to storage equipment to support primarily the Rice Pool segment.

The main operating segments aggregated into Asset Finance are AGS and Corporate. The services provided are capital based services in nature which are remunerated by a fixed return on assets employed.

The Corporate Management Team evaluates results based on contributed NPBT which is defined as net profit before tax and intersegment eliminations. In the case of Rice Pool the profit before tax is calculated based on a standard paddy price before its final adjustment.

Sales between segments are eliminated on consolidation. The revenue from external customers, assets and liabilities are measured in a manner consistent with that of the financial statements. Other revenue refers to management fees, dividends and sale of assets.

Notes to the financial statements continued

36 Segment information (continued)

The following table sets forth the segment results for the year ended 30 April 2016.

	Rice Pool $000's	International Rice $000's	Rice Food $000's	Riviana $000's	CopRice $000's	Asset Finance $000's	Total $000's
Total segment revenue	474,202	514,149	104,510	139,107	141,656	43,100	1,416,724
Inter-segment revenue	(96,473)	(574)	–	–	(10,769)	(43,000)	(150,816)
Revenue from external customers	377,729	513,575	104,510	139,107	130,887	100	1,265,908
Other revenue							4,244
Total revenue from continuing operations							1,270,152
Contributed Net Profit Before Tax	–	36,392	511	13,216	5,408	13,801	69,328
Intersegment eliminations							3,844
Profit before income tax							73,172
Depreciation and amortisation	(4,235)	(4,812)	(2,592)	(888)	(1,342)	(8,217)	(22,086)
Impairment	–	(22)	–	–	–	–	(22)
Acquisitions of property, plant and equipment	8,224	7,806	1,673	174	3,927	2,497	24,301
Segment assets	365,329	344,447	47,853	62,741	55,777	171,979	1,048,126
Intersegment eliminations							(121,838)
Cash							21,120
Deferred tax assets							23,171
Total assets							970,579
Segment liabilities	167,493	275,366	9,400	27,950	6,952	75,583	562,744
Intersegment eliminations							(300,858)
Current tax liability							22,249
Borrowings							296,216
Total liabilities							580,351

Cash and borrowing balances are not allocated to Australian operating segments but to the Group because the head office is centrally managing the treasury and financing of Australian operations. This creates an asymmetry in information because fixed assets and working capital that are financed by borrowings are allocated to each reportable segment.

This allocation is a change in presentation compared to the prior period.

No single external customer represents more than 10% of revenues.

36 Segment information (continued)

The following table sets forth the segment results for the year ended 30 April 2015.

	Rice Pool $000's	International Rice $000's	Rice Food $000's	Riviana $000's	CopRice $000's	Asset Finance $000's	Total $000's
Total segment revenue	575,704	489,460	89,263	149,373	131,178	57,690	1,492,668
Inter-segment revenue	(184,421)	(13,058)	–	–	–	(57,059)	(254,538)
Revenue from external customers	391,283	476,402	89,263	149,373	131,178	631	1,238,130
Other revenue							8,085
Total revenue from continuing operations							1,246,215
Contributed NPBT	–	38,281	2,588	6,758	6,569	19,218	73,414
Intersegment eliminations							(2,764)
Profit before income tax							70,650
Depreciation and amortisation	(5,389)	(3,959)	(1,793)	(1,191)	(1,220)	(6,734)	(20,286)
Impairment	–	–	–	(1,994)	–	–	(1,994)
Acquisitions of property, plant and equipment	13,714	11,635	8,687	259	2,585	1,659	38,539
Segment assets	494,566	350,808	42,638	70,428	44,788	91,832	1,095,060
Intersegment eliminations							(181,213)
Cash							21,866
Deferred tax assets							14,471
Total assets							950,184
Segment liabilities	295,768	183,601	129	32,820	2,589	29,653	544,560
Intersegment eliminations							(200,932)
Borrowings							219,913
Current tax liability							22,787
Total liabilities							586,328

36 Segment information (continued)

Change in presentation compared to the prior period

Cash and borrowings balances that were not allocated in the year ended 30 April 2015 have been allocated to the reportable segments with the exception of the Australian operating segments. The impact of the change in presentation is as follows:

	Rice Pool $000's	International Rice $000's	Rice Food $000's	Riviana $000's	CopRice $000's	Asset Finance $000's	Total $000's
Segment assets – as published	494,566	304,652	42,638	70,428	44,788	91,422	1,048,494
Cash – as published							68,432
Segment assets – restated	**494,566**	**350,808**	**42,638**	**70,428**	**44,788**	**91,832**	**1,095,060**
Cash – restated							**21,866**
Segment liabilities – as published	295,768	180,992	129	32,820	2,589	29,653	541,951
Borrowings – as published							222,522
Segment liabilities – restated	**295,768**	**183,601**	**129**	**32,820**	**2,589**	**29,653**	**544,560**
Borrowings – restated							**219,913**

Other segment information – geographical areas	Australia $000's	PNG $000's	Other $000's	Total $000's
2016				
Revenues from external customers	**494,745**	**364,013**	**407,150**	**1,265,908**
2015				
Revenues from external customers	427,093	327,799	483,238	1,238,130

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 $191,365,000 (2015: $182,699,000) and the total of these non-current assets located in other countries is $38,314,000 (2015: $46,429,000). Segment assets are allocated to countries based on where the assets are located.

37 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:

	2016 $	2015 $
(a) Assurance services		
Audit services		
Fees paid to PricewaterhouseCoopers Australian firm	**377,050**	329,150
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**115,379**	139,065
Fees paid to non-PricewaterhouseCoopers audit firm	**21,619**	19,781
Total remuneration for audit services	**514,048**	487,996
(b) Accounting services		
Fees paid to PricewaterhouseCoopers Australian firm*	**–**	4,000
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**8,736**	2,114
Total remuneration for accounting services	**8,736**	6,114
(c) Taxation services		
Fees paid to PricewaterhouseCoopers Australian firm*	**349,898**	406,925
Fees paid to related practices of PricewaterhouseCoopers Australian firm	**62,520**	103,527
Total remuneration for taxation services	**412,418**	510,452

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 compliance and 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.

*2016 includes $76,470 (2015: $135,830) relating to tax and accounting advice associated with the capital structure review which is included in the capital restructuring costs of $2,896,000 (2015: $1,356,000) in note 7.

38 Deed of cross guarantee

Ricegrowers Limited, Riviana Foods Pty Ltd and Australian Grain Storage Pty Ltd enterred into a deed of cross guarantee on 28 April 2016 under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(a) Consolidated statement of profit or loss, statement of comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a "closed group" for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Ricegrowers Limited, they also represent the "extended closed group".

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 April 2016 of the closed group consisting of Ricegrowers Limited, Riviana Foods Pty Ltd and Australian Grain Storage Pty Ltd.

38 Deed of cross guarantee (continued)

	2016 $000's
Consolidated statement of profit or loss	
Sales revenue	1,124,047
Other revenue	4,063
Revenue from continuing operations	1,128,110
Other income	48
Changes in inventories of finished goods	67
Raw materials and consumables used	(711,311)
Employee benefits expenses	(101,795)
Depreciation and amortisation expense	(17,515)
Finance costs	(12,786)
Other expenses	(222,624)
Profit before income tax	62,194
Income tax expense	(19,138)
Profit for the year	43,056
Consolidated statement of comprehensive income	
Profit for the year	43,056
Items that may be reclassified to the profit or loss	
Changes in fair value of cash flow hedges	(1,843)
Income tax relating to items of other comprehensive income	553
Other comprehensive income for the year, net of tax	(1,290)
Total comprehensive income for the year	41,766
Summary of movements in consolidated retained earnings	
Retained profits	
Balance 1 May	171,191
Net profit for the year	43,056
Dividends provided for or paid	(14,498)
Balance 30 April	199,749

38 Deed of cross guarantee (continued)

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 April 2016 of the closed group consisting of Ricegrowers Limited, Riviana Foods Pty Ltd and Australian Grain Storage Pty Ltd.

	2016 $000's
Current assets	
Cash and cash equivalents	**21,120**
Receivables	**320,135**
Inventories	**317,077**
Total current assets	**658,332**
Non-current assets	
Receivables	**615**
Other financial assets	**3,969**
Property, plant and equipment	**180,969**
Investment properties	**1,150**
Intangibles	**6,728**
Deferred tax assets	**17,181**
Total non-current assets	**210,612**
Total assets	**868,944**
Current liabilities	
Payables	**96,563**
Amounts payable to Australian Rice Growers	**97,991**
Borrowings	**217,468**
Current tax liabilities	**14,029**
Provisions	**21,218**
Derivative financial instruments	**3,123**
Total current liabilities	**450,392**
Non current liabilities	
Amounts payable to Australian Rice Growers	**13,242**
Borrowings	**78,749**
Deferred tax liabilities	**1,454**
Provisions	**1,637**
Total non-current liabilities	**95,082**
Total liabilities	**545,474**
Net assets	**323,470**
Equity	
Contributed equity	**107,819**
Reserves	**15,902**
Retained profits	**199,749**
Total equity	**323,470**

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 consolidated balance sheet as at 30 April 2016, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Ricegrowers Limited and Controlled Entities (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at 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. Those 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 consolidated 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.

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

Independence

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

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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 consolidated entity's financial position as at 30 April 2016 and of its performance for the year ended on that date; and

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

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 6 to 18 of the directors' report for the year ended 30 April 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

P.J. Carney

Paddy Carney
Partner

Sydney
21 June 2016